### Calendar No. 366

108TH CONGRESS 1ST SESSION

# S. 1627

[Report No. 108–187]

To reauthorize the Workforce Investment Act of 1998, and for other purposes.

#### IN THE SENATE OF THE UNITED STATES

September 17, 2003

Mr. Enzi (for himself, Mr. Kennedy, Mr. Gregg, and Mrs. Murray) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

November 5, 2003

Reported by Mr. GREGG, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

## A BILL

To reauthorize the Workforce Investment Act of 1998, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 **SECTION 1. SHORT TITLE.**
- 4 This Act may be cited as the "Workforce Investment
- 5 Act Amendments of 2003".

#### 1 SEC. 2. TABLE OF CONTENTS.

#### 2 The table of contents of this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. References.

## TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998

#### Subtitle A—Definitions

Sec. 101. Definitions.

#### Subtitle B-Statewide and Local Workforce Investment Systems

Sec. 111. Purpose.

Sec. 112. State workforce investment boards.

Sec. 113. State plan.

Sec. 114. Local workforce investment areas.

Sec. 115. Local workforce investment boards.

Sec. 116. Local plan.

Sec. 117. Establishment of one-stop delivery systems.

Sec. 118. Eligible providers of training services.

Sec. 119. Eligible providers of youth activities.

Sec. 120. Youth activities.

Sec. 121. Adult and dislocated worker employment and training activities.

Sec. 122. Performance accountability system.

Sec. 123. Authorization of appropriations.

#### Subtitle C—Job Corps

Sec. 131. Job Corps.

#### Subtitle D—National Programs

Sec. 141. Native American programs.

Sec. 142. Migrant and seasonal farmworker programs.

Sec. 143. Veterans' workforce investment programs.

Sec. 144. Youth challenge grants.

Sec. 145. Technical assistance.

Sec. 146. Demonstration, pilot, multiservice, research, and multistate projects.

Sec. 147. National dislocated worker grants.

Sec. 148. Authorization of appropriations for national activities.

#### Subtitle E—Administration

Sec. 151. Requirements and restrictions.

Sec. 152. Cost principles.

Sec. 153. Reports.

Sec. 154. Administrative provisions.

Sec. 155. Use of certain real property.

## TITLE II—AMENDMENTS TO THE ADULT EDUCATION AND FAMILY LITERACY ACT

Sec. 201. Short title; purpose.

- Sec. 202. Definitions.
- Sec. 203. Authorization of appropriations.
- Sec. 204. Reservation of funds; grants to eligible agencies; allotments.
- Sec. 205. Performance accountability system.
- Sec. 206. State administration.
- Sec. 207. State distribution of funds; matching requirement.
- Sec. 208. State leadership activities.
- Sec. 209. State plan.
- Sec. 210. Programs for corrections education and other institutionalized individuals.
- Sec. 211. Grants and contracts for eligible providers.
- Sec. 212. Local application.
- Sec. 213. Local administrative cost limits.
- Sec. 214. Administrative provisions.
- Sec. 215. National Institute for Literacy.
- Sec. 216. National leadership activities.
- Sec. 217. Integrated English literacy and civies education.
- Sec. 218. Transition.

#### TITLE III—AMENDMENTS TO OTHER PROVISIONS OF LAW

Sec. 301. Wagner-Peyser Act.

#### TITLE IV—REHABILITATION ACT AMENDMENTS

- Sec. 401. Short title.
- Sec. 402. Technical amendments to table of contents.
- Sec. 403. Purpose.
- Sec. 404. Definitions.
- Sec. 405. Administration of the Act.
- Sec. 406. Carryover.

#### Subtitle A—Vocational Rehabilitation Services

- Sec. 411. Declaration of policy; authorization of appropriations.
- Sec. 412. State plans.
- Sec. 413. Eligibility and individualized plan for employment.
- Sec. 414. Vocational rehabilitation services.
- Sec. 415. State rehabilitation council.
- Sec. 416. Evaluation standards and performance indicators.
- Sec. 417. State allotments.
- Sec. 418. Client assistance program.
- Sec. 419. Incentive grants.
- Sec. 420. Vocational rehabilitation services grants.
- Sec. 421. GAO studies.

#### Subtitle B—Research and Training

- Sec. 431. Authorization of appropriations.
- See. 432. National Institute on Disability and Rehabilitation Research.
- Sec. 433. Research and other covered activities.
- Sec. 434. Rehabilitation research advisory council.

## Subtitle C—Professional Development and Special Projects and Demonstrations

Sec. 441. Training.

- Sec. 442. Demonstration and training programs.
- Sec. 443. Migrant and seasonal farmworkers.
- Sec. 444. Recreational programs.

#### Subtitle D—National Council on Disability

Sec. 451. Authorization of appropriations.

#### Subtitle E-Rights and Advocacy

- Sec. 461. Architectural and transportation barriers compliance board.
- Sec. 462. Protection and advocacy of individual rights.

#### Subtitle F—Employment Opportunities for Individuals With Disabilities

- Sec. 471. Projects with industry authorization of appropriations.
- Sec. 472. Services for individuals with significant disabilities authorization of appropriations.
- Subtitle G-Independent Living Services and Centers for Independent Living
- Sec. 481. State plan.
- See. 482. Statewide independent living council.
- Sec. 483. Independent living services authorization of appropriations.
- Sec. 484. Program authorization.
- Sec. 485. Grants to centers for independent living in States in which Federal funding exceeds State funding.
- See. 486. Grants to centers for independent living in States in which State funding equals or exceeds Federal funding.
- Sec. 487. Standards and assurances for centers for independent living.
- Sec. 488. Centers for independent living authorization of appropriations.
- See. 489. Independent living services for older individuals who are blind.
- Sec. 490. Program of grants.
- See. 491. Independent living services for older individuals who are blind authorization of appropriations.

#### Subtitle H—Miscellaneous

Sec. 495. Helen Keller National Center Act.

#### TITLE V—TRANSITION AND EFFECTIVE DATE

- Sec. 501. Transition provisions.
- Sec. 502. Effective date.

#### 1 SEC. 3. REFERENCES.

- 2 Except as otherwise expressly provided, wherever in
- 3 this Act an amendment or repeal is expressed in terms
- 4 of an amendment to, or repeal of, a section or other provi-
- 5 sion, the amendment or repeal shall be considered to be

1	made to a section or other provision of the Workforce In-
2	vestment Act of 1998 (29 U.S.C. 2801 et seq.).
3	TITLE I—AMENDMENTS TO
4	TITLE I OF THE WORKFORCE
5	<b>INVESTMENT ACT OF 1998</b>
6	Subtitle A—Definitions
7	SEC. 101. DEFINITIONS.
8	Section 101 (29 U.S.C. 2801) is amended—
9	(1) by striking paragraph (24);
10	(2) by redesignating paragraphs (1) through
11	(4), (5) through (16), (17), (18) through (23), (25)
12	through (41), and (42) through (53) as paragraphs
13	(2) through (5), (7) through (18), (20), (23)
14	through (28), (29) through (45), and (47) through
15	(58), respectively;
16	(3) by inserting before paragraph (3) (as redes-
17	ignated by paragraph (2)) the following:
18	"(1) Accrued expenditures.—The term 'ac-
19	crued expenditures' means charges incurred by re-
20	cipients of funds under this title for a given period
21	requiring the provision of funds for—
22	"(A) goods or other tangible property re-
23	eeived;

1	"(B) services performed by employees, con-
2	tractors, subgrantees, subcontractors, and other
3	<del>payees; and</del>
4	"(C) other amounts becoming owed under
5	programs assisted under this title for which no
6	current services or performance is required,
7	such as annuities, insurance claims, and other
8	benefit payments.
9	(4) in paragraph (2) (as redesignated by para-
10	graph (2)), by striking "Except in sections 127 and
11	132," and inserting "Except in section 132,";
12	(5) by inserting after paragraph (5) (as redesig-
13	nated by paragraph (2)) the following:
14	"(6) Business intermediary.—The term
15	'business intermediary' means an entity that brings
16	together various stakeholders with an expertise in an
17	industry or business sector.";
18	(6) in paragraph (9) (as redesignated by para-
19	graph (2)), by inserting ", including a faith-based
20	organization," after "nonprofit organization";
21	(7) in paragraph (10) (as redesignated by para-
22	<del>graph (2))—</del>
23	(A) in subparagraph (B), by striking
24	"and" after the semicolon;
25	(B) in subparagraph (C)—

1	(i) by striking "not less than 50 per-
2	cent of the cost of the training" and in-
3	serting "a significant portion of the cost of
4	training as determined by the local board,
5	taking into account the size of the em-
6	ployer and such other factors as the local
7	board determines to be appropriate"; and
8	(ii) by striking the period and insert-
9	ing "; and"; and
10	(C) by adding at the end the following:
11	"(D) for customized training with employ-
12	ers in various parts of the State, a significant
13	portion of the cost of the training, as deter-
14	mined by the Governor, taking into account the
15	size of the employer and such other factors as
16	the Governor determines appropriate.";
17	(8) in paragraph (11) (as redesignated by para-
18	<del>graph</del> (2))—
19	(A) in subparagraph (A)(ii)(II), by striking
20	"section 134(e)" and inserting "section
21	121(e)";
22	(B) in subparagraph (C), by striking "or"
23	after the semicolon;
24	(C) in subparagraph (D), by striking the
25	period and inserting "; or"; and

1	(D) by adding at the end the following:
2	"(E)(i) is a member of the Armed Forces
3	on active duty, who has been involuntarily sepa-
4	rated with an honorable discharge, from the
5	Armed Forces, or who has received notice of
6	such separation;
7	"(ii) is the spouse or adult dependent of a
8	member of the Armed Forces who has experi-
9	enced the loss of employment as a direct result
10	of relocation to accommodate a change in duty
11	station of such member; or
12	"(iii) is the spouse of a member of the
13	Armed Forces on active duty who meets the cri-
14	teria described in paragraph (13)(B).";
15	(9) in paragraph (12)(A) (as redesignated by
16	paragraph (2))—
17	(A) by striking "and" after the semicolon
18	and inserting "or";
19	(B) by striking "(A)" and inserting
20	``(A)(i)''; and
21	(C) by adding at the end the following:
22	"(ii) is the dependent spouse of a member
23	of the Armed Forces, whose family income is
24	significantly reduced because of a deployment,
25	an activation, a transfer of duty station, or the

1	service-connected death or disability of the
2	spouse; and";
3	(10) in paragraph (14)(A) (as redesignated by
4	paragraph (2)), by striking "section 122(e)(3)" and
5	inserting "section 122";
6	(11) by inserting after paragraph (18) (as re-
7	designated by paragraph (2)) the following:
8	"(19) HARD-TO-SERVE POPULATIONS.—The
9	term 'hard-to-serve populations' means populations
10	of individuals who are hard-to-serve, including dis-
11	placed homemakers, low-income individuals, Native
12	Americans, individuals with disabilities, older indi-
13	viduals, ex-offenders, homeless individuals, individ-
14	uals with limited English proficiency, individuals
15	who do not meet the definition of literacy in section
16	203, individuals facing substantial cultural barriers,
17	migrant and seasonal farmworkers, individuals with-
18	in 2 years of exhausting lifetime eligibility under
19	part A of title IV of the Social Security Act (42
20	U.S.C. 601 et seq.), and such other groups as the
21	Governor determines to be hard-to-serve.";
22	(12) by inserting after paragraph (20) (as re-
23	designated by paragraph (2)) the following:
24	"(21) Integrated training program.—The
25	term 'integrated training program' means a program

1	that combines occupational skills training with lan-	
2	guage acquisition.	
3	"(22) Institution of Higher Education.—	
4	The term 'institution of higher education' has the	
5	meaning given the term in section 102(a)(1) (A) and	
6	(B) of the Higher Education Act of 1965 (20 U.S.C.	
7	1002(a)(1)).";	
8	(13) in paragraph (29) (as redesignated by	
9	paragraph (2))—	
10	(A) in subparagraph (B), by striking	
11	"higher of " and all that follows through	
12	"level, for an equivalent period" and inserting	
13	"poverty line for an equivalent period";	
14	(B) by redesignating subparagraphs (D)	
15	through (F) as subparagraphs (E) through (G),	
16	respectively; and	
17	(C) by inserting after subparagraph (C)	
18	the following:	
19	"(D) receives or is eligible to receive a free	
20	or reduced price lunch under the Richard B.	
21	Russell National School Lunch Act (42 U.S.C.	
22	1751 et seq.);";	
23	(14) in paragraph (34) (as redesignated by	
24	paragraph (2)), by inserting ", subject to section	
25	121(b)(1)(C)" after "121(b)(1)";	

1	(15) by striking paragraph (37) (as redesig-
2	nated by paragraph (2)) and inserting the following:
3	"(37) Out-of-school youth.—The term 'out-
4	of-school youth' means an out-of-school youth as de-
5	fined in section 129(a)(1)(B).";
6	(16) in paragraph (45) (as redesignated by
7	paragraph (2)), by striking ", and the term means
8	such Secretary for purposes of section 503";
9	(17) by inserting after paragraph (45) (as re-
10	designated by paragraph (2)) the following:
11	"(46) Self-sufficiency.—The term 'self-suf-
12	ficiency' has the meaning given the term in section
13	134(a)(3)(A)(4)(x) and section $134(e)(1)(A)(ix)$ .";
14	(18) in paragraph (48) (as redesignated by
15	paragraph (2)), by striking "clause (iii) or (v) of
16	section 136(b)(3)(A)" and inserting "section
17	136(b)(3)(A)(iii)";
18	(19) in paragraph (57) (as redesignated by
19	paragraph (2)), by striking "(or as described in sec-
20	tion 129(e)(5))" and inserting "(or as described in
21	section 129(a)(2))"; and
22	(20) in paragraph (58) (as redesignated by
23	paragraph (2)), by striking "established under sec-
24	tion 117(h)" and inserting "that may be established
25	under section 117(h)(2)".

### Subtitle B—Statewide and Local

### 2 Workforce Investment Systems

- 3 SEC. 111. PURPOSE.
- 4 Section 106 (29 U.S.C. 2811) is amended to read as
- 5 follows:

1

- 6 "SEC. 106. PURPOSES.
- 7 "The purposes of this subtitle are the following:
- 8 "(1)(A) Primarily, to provide workforce invest-
- 9 ment activities, through statewide and local work-
- 10 force investment systems, that increase the employ-
- 11 ment, retention, self-sufficiency, and earnings of
- 12 participants, and increase occupational skill attain-
- 13 ment by participants.
- 14 "(B) As a result of the provision of the activi-
- 15 ties, to improve the quality of the workforce, reduce
- 16 welfare dependency, increase self-sufficiency, and en-
- 17 hance the productivity and competitiveness of the
- 18 Nation.
- 19 "(2) To enhance the workforce investment sys-
- 20 tem of the Nation by strengthening one-stop centers,
- 21 providing for more effective governance arrange-
- 22 ments, promoting access to a more comprehensive
- 23 array of employment and training and related serv-
- 24 ices, establishing a targeted approach to serving

1	youth, improving performance accountability, and
2	promoting State and local flexibility.
3	"(3) To provide workforce investment activities
4	in a manner that promotes the informed choice of
5	participants and actively involves participants in de-
6	cisions affecting their participation in such activities.
7	"(4) To provide workforce investment systems
8	that are demand-driven and responsive to the needs
9	of all employers, including small employers.
10	"(5) To provide workforce investment systems
11	that work in all areas of the Nation, including urban
12	and rural areas.
13	"(6) To allow flexibility to meet State, local, re-
14	gional, and individual workforce investment needs.
15	"(7) To recognize and reinforce the vital link
16	between economic development and workforce invest-
17	ment activities.
18	"(8) To provide for accurate data collection, re-
19	porting, and performance measures that are not un-
20	duly burdensome.
21	"(9) To address the ongoing shortage of essen-
22	tial skills in the United States workforce related to
23	both manufacturing and knowledge-based economies
24	to ensure that the United States remains competi-
25	tive in the global economy.

1	"(10) To equip workers with higher skills and
2	contribute to lifelong education.
3	"(11) To eliminate training disincentives for
4	hard-to-serve populations and minority workers, in-
5	eluding effectively utilizing community programs,
6	services, and agencies.
7	"(12) To educate limited English proficient in-
8	dividuals about skills and language so the individ-
9	<del>uals are employable.</del>
10	"(13) To increase the employment, retention
11	and earnings of individuals with disabilities.".
12	SEC. 112. STATE WORKFORCE INVESTMENT BOARDS.
13	(a) Membership.—
13 14	(a) Membership.— (1) In General.—Section 111(b) (29 U.S.C.
14	(1) In General.—Section 111(b) (29 U.S.C.
14 15	(1) In General.—Section 111(b) (29 U.S.C. 2821(b)) is amended—
14 15 16	(1) IN GENERAL.—Section 111(b) (29 U.S.C. 2821(b)) is amended—  (A) in paragraph (1), by striking subpara-
14 15 16 17	(1) In General.—Section 111(b) (29 U.S.C. 2821(b)) is amended—  (A) in paragraph (1), by striking subparagraph (C) and inserting the following:
14 15 16 17	(1) IN GENERAL.—Section 111(b) (29 U.S.C. 2821(b)) is amended—  (A) in paragraph (1), by striking subparagraph (C) and inserting the following:  "(C) representatives appointed by the Gov-
14 15 16 17 18	(1) In GENERAL.—Section 111(b) (29 U.S.C. 2821(b)) is amended—  (A) in paragraph (1), by striking subparagraph (C) and inserting the following:  "(C) representatives appointed by the Governor, who—
14 15 16 17 18 19 20	(1) IN GENERAL.—Section 111(b) (29 U.S.C. 2821(b)) is amended—  (A) in paragraph (1), by striking subparagraph (C) and inserting the following:  "(C) representatives appointed by the Governor, who—  "(i) are the lead State agency officials
14 15 16 17 18 19 20	(1) In GENERAL.—Section 111(b) (29 U.S.C. 2821(b)) is amended  (A) in paragraph (1), by striking subparagraph (C) and inserting the following:  "(C) representatives appointed by the Governor, who—  "(i) are the lead State agency officials with responsibility for the programs and

1	"(I) in any case in which no lead
2	State agency official has responsibility
3	for such a program or activity, the
4	representative shall be a representa-
5	tive in the State with expertise relat-
6	ing to such program or activity; and
7	"(II) in the case of the programs
8	authorized under title I of the Reha-
9	bilitation Act of 1973, the representa-
10	tive shall be the head of the des-
11	ignated State unit, as defined in sec-
12	tion 7 of the Rehabilitation Act of
13	1973 (29 U.S.C. 705);
14	"(ii) are the State agency officials re-
15	sponsible for economic development;
16	"(iii) are representatives of all busi-
17	ness in the State, including small busi-
18	nesses, who—
19	"(I) are owners of businesses,
20	chief executive or operating officers of
21	businesses, or other business execu-
22	tives or employers with optimum pol-
23	icymaking or hiring authority;
24	"(H) represent businesses with
25	employment opportunities that reflect

1	employment opportunities in the
2	State; and
3	"(III) are appointed from among
4	individuals nominated by State busi-
5	ness organizations, business trade as-
6	sociations, and local boards;
7	"(iv) is a chief elected official (rep-
8	resenting cities and counties, where appro-
9	<del>priate);</del>
10	"(v) are representatives of labor orga-
11	nizations, who have been nominated by
12	State labor federations; and
13	"(vi) are such other State agency offi-
14	cials and other representatives as the Gov-
15	ernor may designate."; and
16	(B) in paragraph (3), by striking "para-
17	graph (1)(C)(i)" and inserting "paragraph
18	(1)(C)(iii)".
19	(2) Conforming Amendment.—Section
20	111(e) (29 U.S.C. 2821(e)) is amended by striking
21	"subsection (b)(1)(C)(i)" and inserting "subsection
22	(b)(1)(C)(iii)".
23	(b) Functions.—Section 111(d) (29 U.S.C.
24	2811(d)) is amended—

1	(1) in paragraph (1), by striking "development"
2	and inserting "development, implementation, and re-
3	vision'';
4	(2) in paragraph (2), by striking "section
5	134(e)" and inserting "section 121(e)";
6	(3) by striking paragraph (3) and inserting the
7	following:
8	"(3) reviewing and providing comment on the
9	State plans of all one-stop partner programs, where
10	applicable, in order to provide effective strategie
11	leadership in the development of a high quality, com-
12	prehensive statewide workforce investment system,
13	including commenting at least once annually on the
14	measures taken pursuant to section 113(b)(3) of the
15	Carl D. Perkins Vocational and Technical Education
16	Act of 1998 (20 U.S.C 2323(b)(3)) and title H of
17	this Act;";
18	(4) by redesignating paragraphs (4) through
19	(9) as paragraphs (5) through (10), respectively;
20	(5) by inserting after paragraph (3) the fol-
21	lowing:
22	"(4) development and review of statewide poli-
23	cies affecting the coordinated provision of services
24	through the one-stop delivery systems described in
25	section 121(e) within the State, including—

1	"(A) the development of objective proce-
2	dures and criteria for use by local boards in as-
3	sessing the effectiveness and continuous im-
4	provement of one-stop centers under section
5	$\frac{121(g)}{}$ ;
6	"(B) the development of guidance for the
7	allocation of one-stop center infrastructure
8	funds under section 121(h)(1)(B);
9	"(C) the development of—
10	"(i) statewide policies relating to the
11	appropriate roles and contributions of one-
12	stop partner programs within the one-stop
13	delivery system, including approaches to
14	facilitating equitable and efficient cost allo-
15	cation in the one-stop delivery system;
16	"(ii) statewide strategies for providing
17	effective outreach to individuals, including
18	hard-to-serve populations, and employers
19	who could benefit from services provided
20	through the one-stop delivery system; and
21	"(iii) strategies for technology im-
22	provements to facilitate access to services
23	provided through the one-stop delivery sys-
24	tem, in remote areas, and for individuals

1	with disabilities, which may be utilized
2	throughout the State;
3	"(D) identification and dissemination of
4	information on best practices for effective oper-
5	ation of one-stop centers, including use of inno-
6	vative business outreach, partnerships, and
7	service delivery strategies, including for hard-to-
8	serve populations; and
9	"(E) such other matters as may promote
10	statewide objectives for, and enhance the per-
11	formance of, the one-stop delivery systems;";
12	(6) in paragraph (5) (as redesignated by para-
13	graph (4)), by inserting "and the development of
14	Statewide criteria to be used by chief elected officials
15	for the appointment of local boards and for use in
16	certification of local boards consistent with section
17	117" after "section 116";
18	(7) in paragraph (6) (as redesignated by para-
19	graph (4)), by striking "sections 128(b)(3)(B) and
20	133(b)(3)(B)" and inserting "sections 128(b)(3) and
21	<del>133(b)(3)(B)";</del>
22	(8) in paragraph (8) (as redesignated by para-
23	graph (4), by striking "and" after the semicolon;
24	(9) in paragraph (10) (as redesignated by para-
25	<del>graph (4))—</del>

1	(A) by striking "section 503" and insert-
2	ing "section 136(i)(1)"; and
3	(B) by striking the period and inserting ";
4	and"; and
5	(10) by adding at the end the following:
6	"(11) increasing the availability of skills train-
7	ing, employment opportunities, and eareer advance-
8	ment for hard-to-serve populations.".
9	(c) Alternative Entity. Section 111(e) (29
10	U.S.C. 2811(e)) is amended—
11	(1) in paragraph (1), by striking "For" and in-
12	serting "Subject to paragraph (3), for"; and
13	(2) by adding at the end the following:
14	"(3) Fallure to meet performance meas-
15	URES.—If a State fails to meet the State adjusted
16	levels of performance established pursuant to section
17	136, the Secretary may require the State to estab-
18	lish a State board in accordance with subsections
19	(a), (b), and (c) in lieu of the alternative entity es-
20	tablished under paragraph (1).".
21	(d) Sunshine Provision.—Section 111(g) (29
22	U.S.C. 2822(g)) is amended—
23	(1) by inserting ", and modifications to the
24	State plan," before "prior"; and

1	(2) by inserting ", and modifications to the
2	State plan" after "the plan".
3	(e) Authority To Hire Staff.—Section 111 (29
4	U.S.C. 2811)) is amended by adding at the end the fol-
5	lowing:
6	"(h) AUTHORITY TO HIRE STAFF.—The State board
7	may hire staff to assist in carrying out the functions de-
8	scribed in subsection (d) using funds allocated under sec-
9	tion 127(b)(1)(C) and section 132(b).".
10	SEC. 113. STATE PLAN.
11	(a) Planning Cycle.—Section 112(a) (29 U.S.C.
12	2822(a)) is amended—
13	(1) by striking "5-year strategy" and inserting
14	"4-year strategy"; and
15	(2) by adding at the end the following: "At the
16	end of the first 2-year period of the 4-year State
17	plan, the State board shall review and, as needed,
18	amend the 4-year State plan to reflect labor market
19	and economic conditions. In addition, the State shall
20	submit a modification to the State plan at the end
21	of the first 2-year period of the State plan, which
22	may include redesignation of local areas pursuant to
23	section 116(a) and the levels of performance under
24	sections 136 for the third and fourth years of the
25	plan ''

1	(b) Contents.—Section 112(b) (29 U.S.C. 2822(b))
2	is amended—
3	(1) in paragraph $(8)(A)$ —
4	(A) in clause (ix), by striking "and" after
5	the semicolon; and
6	(B) by adding at the end the following:
7	"(xi) programs authorized under title
8	H of the Social Security Act (42 U.S.C.
9	401 et seq.) (relating to Federal old-age,
10	survivors, and disability insurance bene-
11	fits), title XVI of such Act (42 U.S.C.
12	1381 et seq.) (relating to supplemental se-
13	curity income), title XIX of such Act (42
14	U.S.C. 1396 et seq.) (relating to med-
15	icaid), and title XX of such Act (relating
16	to block grants to States for social serv-
17	ices), programs authorized under title VII
18	of the Rehabilitation Act of 1973 (29
19	U.S.C. 796 et seq.), and programs carried
20	out by State agencies relating to mental
21	retardation and developmental disabilities;
22	and";
23	(2) by striking paragraph (10) and inserting
24	the following:

1	"(10) a description of how the State will use
2	funds the State received under this subtitle to lever-
3	age other Federal, State, local, and private re-
4	sources, in order to maximize the effectiveness of
5	such resources, expand resources for the provision of
6	education and training services, and expand the par-
7	ticipation of businesses, employees, and individuals
8	in the Statewide workforce investment system, in-
9	eluding a description of incentives and technical as-
10	sistance the State will provide to local areas for such
11	purposes;";
12	(3) in paragraph (12)(A), by striking "sections
13	128(b)(3)(B) and 133(b)(3)(B)" and inserting "sec-
14	tions 128(b)(3) and 133(b)(3)(B)";
15	(4) in paragraph (14), by striking "section
16	134(e)" and inserting "section 121(e)";
17	(5) in paragraph (17)—
18	(A) in subparagraph $(A)$ —
19	(i) in clause (iii)—
20	(I) by inserting "local" before
21	"customized training"; and
22	(II) by striking "and" at the end;
23	(ii) in clause (iv), by striking "home-
24	makers)," and all that follows through
25	"disabilities)" and inserting "hard-to-serve

1	populations and individuals training for
2	nontraditional employment"; and
3	(iii) by adding after clause (iv) the
4	following:
5	"(v) how the State will serve the em-
6	ployment and training needs of individuals
7	with disabilities, consistent with section
8	188 and Executive Order 13217 (42
9	U.S.C. 12131 note; relating to community-
10	based alternatives for individuals with dis-
11	abilities), including the provision of out-
12	reach, intake, the conduct of assessments,
13	service delivery, the development of per-
14	formance measures, and the training of
15	staff; and"; and
16	(B) in subparagraph (B), by striking
17	"and" at the end;
18	(6) in paragraph (18)(D)—
19	(A) by striking "youth opportunity grants"
20	and inserting "youth challenge grants author-
21	ized under section 169 and other federally fund-
22	ed youth programs"; and
23	(B) by striking the period and inserting a
24	semicolon; and
25	(7) by adding at the end the following:

1	"(19) a description of how the State will utilize
2	technology to facilitate access to services in remote
3	areas, which may be utilized throughout the State;
4	"(20) a description of the State strategy for co-
5	ordinating workforce investment activities and eco-
6	nomie development activities;
7	"(21) a description of the State strategy and
8	assistance needed for ensuring regional cooperation;
9	"(22) a description of how the State will use
10	funds the State receives under this subtitle to—
11	"(A) implement innovative programs and
12	strategies designed to meet the needs of all
13	businesses in the State, including small busi-
14	nesses, which may include incumbent worker
15	training programs, sectoral and industry cluster
16	strategies, regional skills alliances, career ladder
17	programs, utilization of effective business inter-
18	mediaries, and other business services and
19	strategies that better engage employers in
20	workforce activities and make the statewide
21	workforce investment system more relevant to
22	the needs of State and local businesses, con-
23	sistent with the purposes of this Act; and
24	"(B) provide incentives and technical as-
25	sistance to assist local areas in more fully en-

1	gaging large and small employers in local work-
2	force development activities, to make the work-
3	force investment system more relevant to the
4	needs of area businesses, and to better coordi-
5	nate workforce investment and economic devel-
6	opment efforts to contribute to the economic
7	well being of the local area, as determined ap-
8	propriate by the local board;
9	"(23) a description of the State strategy for en-
10	suring cooperation between transportation providers
11	including public transportation providers, and work-
12	force investment activities;
13	"(24) a description of how the State will assist
14	local areas in assuring physical and programmatic
15	assessability for individuals with disabilities at one-
16	stop centers;
17	"(25) a description of the process and method-
18	ology that will be used by the State board to—
19	"(A) review statewide policies and provide
20	guidance on the coordinated provision of serv-
21	ices through the one-stop delivery system de-
22	seribed in section 121;
23	"(B) establish, in consultation with chief
24	elected officials and local boards, procedures
25	and objective criteria for use by local boards in

1	periodically assessing the effectiveness and con-
2	tinuous improvement of one-stop centers and
3	one-stop delivery systems as described in sec-
4	tion 121(g); and
5	"(C) determine one-stop partner program
6	contributions for—
7	"(i) the costs of the infrastructure of
8	one-stop centers under section 121(h)(2);
9	and
10	"(ii) the formula for allocating the
11	funds described in section 121(h)(2) to
12	local areas; and
13	"(26) a description of the State strategy for en-
14	suring that activities carried out under this title are
15	placing men and women in jobs, education, or train-
16	ing that lead to comparable pay.".
17	(e) Modifications to Plan.—Section 112(d) (29
18	U.S.C. 2822(d)) is amended—
19	(1) by striking "5-year period" and inserting
20	"4-year period"; and
21	(2) by adding at the end the following: "In ad-
22	dition, the State shall submit the modifications to
23	the State plan required under subsection (a), and
24	under circumstances prescribed by the Secretary

1	that are due to changes in Federal law that signifi-
2	eantly affect elements of the State plan.".
3	SEC. 114. LOCAL WORKFORCE INVESTMENT AREAS.
4	(a) Designation of Areas.—
5	(1) Considerations.—Section 116(a)(1)(B)
6	(29 U.S.C. 2831(a)(1)(B)) is amended by adding at
7	the end the following:
8	"(vi) The extent to which such local
9	areas will promote maximum effectiveness
10	in the administration and provision of serv-
11	ices.".
12	(2) Automatic Designation.—Section
13	116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to
14	read as follows:
15	"(2) Automatic designation.—
16	"(A) In GENERAL.—The Governor shall
17	approve a request for designation as a local
18	area that is submitted prior to the submission
19	of the State plan, or of a modification to the
20	State plan relating to area designation, from
21	any area that—
22	"(i) is a unit of general local govern-
23	ment with a population of 500,000 or
24	more, except that after the initial 2-year
25	period following such designation pursuant

1	to this clause that occurs after the date of
2	enactment of the Workforce Investment
3	Act Amendments of 2003, the Governor
4	shall only be required to approve a request
5	for designation from such area if such
6	<del>area -</del>
7	"(I) performed successfully; and
8	"(II) sustained fiscal integrity;
9	"(ii) was a local area under this title
10	for the preceding 2-year period, if such
11	<del>local area—</del>
12	"(I) performed successfully; and
13	"(II) sustained fiscal integrity; or
14	"(iii) is served by a rural concentrated
15	employment program grant recipient, ex-
16	cept that after the 2-year period following
17	any such designation under the initial
18	State plan submitted after the date of en-
19	actment of the Workforce Investment Act
20	Amendments of 2003, the Governor shall
21	only be required to approve a request for
22	designation under this clause if such
23	<del>area—</del>
24	"(I) performed successfully; and
25	"(II) sustained fiscal integrity.

1	"(B) Definitions.—For purposes of this
2	<del>paragraph:</del>
3	"(i) Performed successfully.—
4	The term 'performed successfully' means
5	that the local area involved is not subject
6	to sanctions under section 136(h)(2) due
7	to the failure to meet the levels of perform-
8	ance established under section 136(e) for 2
9	consecutive years.
10	<del>"(ii)</del> Sustained fiscal integ-
11	RITY.—The term 'sustained fiscal integ-
12	rity' means that the Secretary has not
13	made a formal determination during the
14	preceding 2-year period that either the
15	grant recipient or the administrative entity
16	of the area misexpended funds provided
17	under this title due to willful disregard of
18	the requirements of the Act involved, gross
19	negligence, or failure to comply with ac-
20	cepted standards of administration.".
21	(3) Conforming amendments.—Section
22	116(a) (29 U.S.C. 2831(a)) is amended—
23	(A) by striking paragraph (3);
24	(B) by redesignating paragraphs (4) and
25	(5) as paragraph (3) and (4), respectively;

1	(C) in paragraph (3) (as redesignated by
2	subparagraph (B))—
3	(i) by striking "(including temporary
4	designation)"; and
5	(ii) by striking "(v)" and inserting
6	"(vi)"; and
7	(D) in paragraph (4) (as redesignated by
8	subparagraph (B))—
9	(i) by striking "under paragraph (2)
10	or (3)" and inserting "under paragraph
11	(2)"; and
12	(ii) by striking the second sentence.
13	(b) Single Local Area States.—Section 116(b)
14	(29 U.S.C. 2831(b)) is amended to read as follows:
15	"(b) Single Local Area States.—
16	"(1) Continuation of Previous Designa-
17	TION.—Notwithstanding subsection (a)(2), the Gov-
18	ernor of any State that was a single local area for
19	purposes of this title as of July 1, 2002, may con-
20	tinue to designate the State as a single local area for
21	purposes of this title if the Governor identifies the
22	State as a local area in the State plan under section
23	112(b)(5).
24	"(2) Redesignation.—The Governor may re-
25	designate the State as a single local area if, prior to

the submission of the State plan or modification to

such plan so designating the State, no local area

meeting the requirements for automatic designation

under subsection (a)(2) requests such designation as

a separate local area.

"(3) EFFECT ON LOCAL PLAN.—In any case in which a State is designated as a local area pursuant to this subsection, the local plan prepared under section 118 for the area shall be submitted to the Secretary for approval as part of the State plan under section 112.".

12 (c) REGIONAL PLANNING.—Section 116(c) (29
13 U.S.C. 2831(c)) is amended—

(1) by striking paragraph (1) and inserting the following:

### "(1) Planning.—

"(A) IN GENERAL.—As part of the process for developing the State plan, a State may require regional planning by local boards for a designated region in the State. The State may require the local boards for a designated region to participate in a regional planning process that results in the establishment of regional performance measures for workforce investment activities authorized under this subtitle. The

State, after consultation with local boards and chief elected officials, may require the local boards for the designated region to prepare, submit, and obtain approval of a single regional plan that incorporates local plans for each of the local areas in the region, as required under section 118. The State may award regional incentive grants to the designated regions that meet or exceed the regional performance measures pursuant to section 134(a)(2)(C).

"(B) TECHNICAL ASSISTANCE.—If the State requires regional planning as provided in subparagraph (A), the State shall provide technical assistance and labor market information to such local areas in the designated regions to assist with such regional planning and subsequent service delivery efforts.";

(2) in paragraph (2), by inserting "information about the skill requirements of existing and emerging industries and industry clusters," after "information about employment opportunities and trends,"; and

(3) in paragraph (3), by adding at the end the following: "Such services may be required to be co-

1	ordinated with regional economic development serv-
2	ices and strategies.".
3	SEC. 115. LOCAL WORKFORCE INVESTMENT BOARDS.
4	(a) Composition.—Section 117(b) (29 U.S.C.
5	2832(b)) is amended—
6	(1) in paragraph $(2)(A)$ —
7	(A) in clause (i), by striking subclause (II)
8	and inserting the following:
9	"(II) collectively, represent busi-
10	nesses with employment opportunities
11	that reflect the employment opportu-
12	nities of the local area, and include
13	representatives of businesses that are
14	in high-growth and emerging indus-
15	tries, and representatives of all busi-
16	nesses, including small businesses, in
17	the local area; and";
18	(B) by striking clause (ii) and inserting the
19	following:
20	"(ii)(I) a superintendent representing
21	the local school districts involved or an-
22	other high-level official from such districts;
23	"(II) the president or highest ranking
24	official of an institution of higher edu-
25	eation serving the local area; and

1	"(III) an administrator of local enti-
2	ties providing adult education and literacy
3	activities in the local area;";
4	(C) in clause (iv), by inserting ", hard-to-
5	serve populations," after "disabilities"; and
6	(D) by striking clause (vi) and inserting
7	the following:
8	"(vi) if the local board does not estab-
9	lish a youth council, representatives with
10	experience serving out-of-school youth, par-
11	ticularly out-of-school youth facing barriers
12	to employment."; and
13	(2) by adding at the end the following:
14	"(6) SPECIAL RULE.—In the case that there
15	are multiple school districts or institutions of higher
16	education serving a local area, the representatives
17	described in paragraph (2)(A)(ii) shall be appointed
18	from among individuals nominated by regional or
19	local educational agencies, institutions, or organiza-
20	tions representing such agencies or institutions.".
21	(b) AUTHORITY OF BOARD MEMBERS.—Section
22	117(b)(3) (29 U.S.C. 2832(b)(3)) is amended—
23	(1) in the heading, by inserting "AND REP-
24	RESENTATION" after "AUTHORITY"; and

1	(2) by adding at the end the following: "The
2	members of the board shall represent diverse geo-
3	graphic sections within the local area.".
4	(c) Conforming Amendment.—Section
5	117(e)(1)(C) (29 U.S.C. 2832 (e)(1)(C)) is amended by
6	striking "section 116(a)(2)(B)" and inserting "section
7	116(a)(2)(A)(ii)".
8	(d) Functions.—Section 117(d) (29 U.S.C.
9	2832(d)) is amended—
10	(1) in paragraph (2)—
11	(A) in subparagraph (B)—
12	(i) by inserting "(except as provided
13	in section 123(b))" after "basis"; and
14	(ii) by inserting "where appropriate"
15	after "youth council"; and
16	(B) by adding at the end the following:
17	"(E) Consumer Choice Require-
18	MENTS.—Consistent with section 134(d)(3) and
19	(d)(4), the local board shall work to ensure
20	there are sufficient providers of intensive serv-
21	ices and training services serving the local area
22	in a manner that maximizes consumer choice,
23	including providers with expertise in assisting
24	individuals with disabilities.";

1	(2) in paragraph (4), by inserting ", and shall
2	ensure the appropriate use and management of the
3	funds provided under this subtitle for such pro-
4	grams, activities, and system" after "area";
5	(3) in paragraph (8)—
6	(A) by inserting "all" before "private sec-
7	tor";
8	(B) by inserting ", including small employ-
9	ers," after "private sector employers"; and
10	(C) by striking the period and inserting ",
11	taking into account the unique needs of small
12	businesses."; and
13	(4) by adding at the end the following:
14	"(9) Technology improvements.—The local
15	board shall develop strategies for technology im-
16	provements to facilitate access to services, in remote
17	areas, for services authorized under this subtitle and
18	carried out in the local area.".
19	(e) Conforming Amendment.—Section 117(f)(2)
20	(29 U.S.C. 2832(f)(2)) is amended by striking "described
21	in section 134(e)".
22	(f) AUTHORITY TO ESTABLISH COUNCILS AND
23	Elimination of Requirement for Youth Coun-
24	CILS.—Section 117(h) (29 U.S.C. 2832(h)) is amended to
25	read as follows:

1	"(h) Councils.—The local board may establish or
2	continue councils to provide information and advice to as-
3	sist the local board in earrying out activities under this
4	title. Such councils may include—
5	"(1) a council composed of one-stop partners to
6	advise the local board on the operation of the one-
7	stop delivery system involved;
8	"(2) a youth council composed of experts and
9	stakeholders in youth programs to advise the local
10	board on youth activities; and
11	"(3) such other councils as the local board de-
12	termines are appropriate.".
13	(g) ALTERNATIVE ENTITY PROVISION.—Section
14	117(i)(1) (29 U.S.C. 2832(i)(1)) is amended—
15	(1) by striking subparagraph (B) and inserting
16	the following:
17	"(B) was in existence on August 7, 1998
18	pursuant to State law; and";
19	(2) by striking subparagraph (C); and
20	(3) by redesignating subparagraph (D) as sub-
21	<del>paragraph</del> (C).
22	SEC. 116. LOCAL PLAN.
23	(a) Planning Cycle.—Section 118(a) (29 U.S.C
24	2833(a)) is amended—

1	(1) by striking "5-year" and inserting "4-year";
2	and
3	(2) by adding at the end the following: "At the
4	end of the first 2-year period of the 4-year plan, the
5	local board shall review and, as needed, amend the
6	4-year plan to reflect labor market and economic
7	conditions.".
8	(b) Contents.—Section 118(b) (29 U.S.C. 2833(b))
9	is amended—
10	(1) in paragraph $(2)$ —
11	(A) in subparagraph $(A)$ , by striking
12	"and" after the semicolon;
13	(B) by striking subparagraph (B) and in-
14	serting the following:
15	"(B) a description of how the local board
16	will facilitate access to services provided
17	through the one-stop delivery system, in remote
18	areas, including facilitating access through the
19	use of technology; and"; and
20	(C) by adding at the end the following:
21	"(C) a description of how the local board
22	will ensure physical and programmatic
23	assessability for individuals with disabilities at
24	one-stop centers:":

1	(2) in paragraph	(9),	by	striking	<del>"</del> ;	and"	and
2	inserting a semicolon;						

- (3) by redesignating paragraph (10) as paragraph (14); and
- 5 (4) by inserting after paragraph (9) the following:

"(10) a description of how the local board will coordinate workforce investment activities carried out in the local area with economic development activities carried out in the local area;

"(11) a description of the strategies and services that will be initiated in the local area to more fully engage all employers, including small employers, in workforce development activities, to make the workforce investment system more relevant to the needs of area businesses, and to better coordinate workforce investment and economic development efforts, which may include the implementation of innovative initiatives such as incumbent worker training programs, sectoral and industry cluster strategies, regional skills alliances, career ladder programs, utilization of effective business intermediaries, and other business services and strategies designed to meet the needs of area employers and contribute to the economic well being of the local area, as deter-

1	mined appropriate by the local board, consistent
2	with the purposes of this Act;
3	"(12) a description of how the local board will
4	expand access to education and training services for
5	eligible individuals who are in need of such services
6	through—
7	"(A) the utilization of programs funded
8	under this title; and
9	"(B) the increased leveraging of resources
10	other than those provided under this title, in-
11	eluding tax eredits, private sector-provided
12	training, and other Federal, State, local, and
13	private funding sources that are brokered
14	through the one-stop centers for training;
15	"(13) a description of how the local board will
16	coordinate workforce investment activities carried
17	out in the local area with the provision of transpor-
18	tation, including public transportation, in the local
19	area; and".
20	SEC. 117. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-
21	TEMS.
22	(a) One-Stop Partners.—
23	(1) REQUIRED PARTNERS.—Section 121(b)(1)
24	(29 U.S.C. 2841(b)(1)) is amended—

1	(A) by striking subparagraph (A) and in-
2	serting the following:
3	"(A) ROLES AND RESPONSIBILITIES OF
4	ONE-STOP PARTNERS.—Each entity that carries
5	out a program or activities described in sub-
6	<del>paragraph</del> (B) shall—
7	"(i) provide access through the one-
8	stop delivery system to the programs and
9	activities carried out by the entity, includ-
10	ing making the core services described in
11	section 134(d)(2) that are applicable to the
12	program of the entity available at the com-
13	prehensive one-stop centers (in addition to
14	any other appropriate locations);
15	"(ii) use a portion of the funds avail-
16	able to the program of the entity to main-
17	tain the one-stop delivery system, including
18	payment of the infrastructure costs of one-
19	stop centers in accordance with subsection
20	<del>(h);</del>
21	"(iii) enter into the local memo-
22	randum of understanding with the local
23	board relating to the operation of the one-
24	stop system that meets the requirements of
25	subsection (e);

1	"(iv) participate in the operation of
2	the one-stop system consistent with the
3	terms of the memorandum of under-
4	standing, the requirements of this title,
5	and the requirements of the Federal laws
6	authorizing the programs carried out by
7	the entity; and
8	"(v) provide representation on the
9	State board to the extent provided under
10	section 111.";
11	(B) in subparagraph (B)—
12	(i) by striking clause (v);
13	(ii) by redesignating clauses (vi)
14	through (xii) as clauses (v) through (xi),
15	respectively;
16	(iii) in clause (x) (as redesignated by
17	elause (ii)), by striking "and" at the end;
18	(iv) in clause (xi) (as redesignated by
19	elause (ii)), by striking the period and in-
20	serting "; and"; and
21	(v) by adding at the end the following:
22	"(xii) programs authorized under part
23	A of title IV of the Social Security Act (42
24	U.S.C. 601 et seq.), subject to subpara-
25	graph (C)."; and

1	(C) by adding at the end the following:
2	"(C) DETERMINATION BY THE GOV-
3	ERNOR.—
4	"(i) In General.—An entity that
5	carries out programs referred to in sub-
6	paragraph (B)(xii) shall be included in the
7	one-stop partners for the local area, as a
8	required partner, for purposes of this title
9	unless the Governor of the State provides
10	the notification described in clause (ii).
11	"(ii) Nothfication.—The notification
12	referred to in clause (i) is a notification
13	<del>that—</del>
14	"(I) is made in writing of a de-
15	termination by the Governor not to in-
16	elude such entity in the one-stop part-
17	ners described in clause (i); and
18	"(II) is provided to the Secretary
19	and the Secretary of Health and
20	Human Services.".
21	(2) Additional Partners.—
22	(A) In General.—Section 121(b)(2)(A)
23	(29 U.S.C. 2841(b)(2)(A)) is amended to read
24	as follows:

1	"(A) IN GENERAL.—With the approval of
2	the local board and chief elected official, in ad-
3	dition to the entities described in paragraph
4	(1), other entities that earry out a human re-
5	source program described in subparagraph (B)
6	may be a one-stop partner and carry out the re-
7	sponsibilities described in paragraph (1)(A).".
8	(B) Additional partners.—Section
9	121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is
10	amended—
11	(i) by redesignating clauses (iv) and
12	(v) as clauses (v) and (vi), respectively;
13	and
14	(ii) by striking clauses (i) through (iii)
15	and inserting the following:
16	"(i) employment and training pro-
17	grams administered by the Social Security
18	Administration, including the Ticket to
19	Work and Self-Sufficiency program estab-
20	lished under section 1148 of the Social Se-
21	eurity Act (42 U.S.C. 1320b-19);
22	"(ii) programs carried out in the local
23	area for individuals with disabilities, in-
24	eluding programs carried out by State
25	agencies relating to mental retardation and

1	developmental disabilities, Statewide Inde-
2	pendent Living Councils established under
3	section 705 of the Rehabilitation Act of
4	1973 (29 U.S.C. 796d), and centers for
5	independent living defined in section 702
6	of the Rehabilitation Act of 1973 (29
7	U.S.C. 796a);
8	"(iii) employment and training pro-
9	grams carried out by the Small Business
10	Administration;
11	"(iv) programs authorized under sec-
12	tion 6(d)(4) of the Food Stamp Act of
13	1977 (7 U.S.C. 2015(d)(4));".
14	(b) Local Memorandum of Understanding.—
15	(1) Contents of Memorandum. Section
16	121(e)(2)(A) (29 U.S.C. 2841(e)(2)(A)) is amended
17	to read as follows:
18	"(A) provisions describing—
19	"(i) the services to be provided
20	through the one-stop delivery system con-
21	sistent with the requirements of this sec-
22	tion, including the manner in which the
23	services will be coordinated through such
24	<del>system;</del>

1	"(ii) how the costs of such services
2	and the operating costs of such system will
3	be funded to provide a stable and equitable
4	funding stream for ongoing one-stop sys-
5	tem operations, including the funding of
6	the infrastructure costs of one-stop centers
7	in accordance with subsection (h);
8	"(iii) methods of referral of individ-
9	uals between the one-stop operator and the
10	one-stop partners for appropriate services
11	and activities;
12	"(iv) methods to ensure the needs of
13	hard-to-serve populations are addressed in
14	accessing services through the one-stop
15	system; and
16	"(v) the duration of the memorandum
17	of understanding and the procedures for
18	amending the memorandum during the
19	term of the memorandum, and assurances
20	that such memorandum shall be reviewed
21	not less than once every 2-year period to
22	ensure appropriate funding and delivery of
23	services; and".

1	(e) Conforming Amendment.—Section 121(d)(2)
2	(29 U.S.C. 2841(d)(2)) is amended by striking "section
3	134(e)" and inserting "section 121(e)".
4	(d) Provision of Services.—
5	(1) Elimination of provisions concerning
6	ESTABLISHED SYSTEMS.—Section 121 (29 U.S.C.
7	2841) is amended by striking subsection (e).
8	(2) Redesignation.—Subtitle B of title I is
9	amended—
10	(A) in section 134 (29 U.S.C. 2864), by
11	redesignating subsection (e) as subsection (e);
12	and
13	(B) by transferring that subsection (e) so
14	that the subsection appears after subsection (d)
15	of section 121.
16	(3) One-stop delivery systems.—Paragraph
17	(1) of section 121(e) (29 U.S.C. 2841(e)) (as redes-
18	ignated by paragraph (2)) is amended—
19	(A) in subparagraph (A), by striking "sub-
20	section $(d)(2)$ " and inserting "section
21	134(d)(2)";
22	(B) in subparagraph (B)—
23	(i) by striking "subsection (d)" and
24	inserting "section 134(d)";

1	(ii) by striking "individual training
2	accounts" and inserting "career scholar-
3	ship accounts"; and
4	(iii) by striking "subsection
5	(d)(4)(G)" and inserting "section
6	134(d)(4)(G)";
7	(C) in subparagraph (C), by striking "sub-
8	section (e)" and inserting "section 134(e)";
9	(D) in subparagraph (D), by striking "sec-
10	tion 121(b)" and inserting "subsection (b)";
11	<del>and</del>
12	(E) in subparagraph (E), by striking "in-
13	formation described in section 15" and insert-
14	ing "data, information, and analysis described
15	in section 15(a)".
16	(e) Continuous Improvement of One-Stop Cen-
17	TERS.—Section 121 (29 U.S.C. 2841) is amended by add-
18	ing at the end the following:
19	"(g) Continuous Improvement of One-Stop
20	CENTERS.—
21	"(1) In GENERAL.—The State board, in con-
22	sultation with chief local elected officials and local
23	boards, shall establish procedures and objective cri-
24	teria for use by local boards in periodically assessing
25	the effectiveness, physical and programmatic accessi-

bility, and continuous improvement of one-stop cen ters and one-stop delivery systems.

"(2) CRITERIA. The procedures and criteria developed under this subsection shall include minimum standards relating to the scope and degree of service coordination achieved by the one-stop delivery system with respect to the programs administered by the one-stop partners at the one-stop centers, consistent with the guidance provided by the Governor and by the State board, in consultation with the chief elected official and local boards, for such partners' participation under subsections (h)(1)(B) and subsection (i), respectively, and such other factors relating to the quality, accessibility, and effectiveness of the one-stop delivery system as the State board determines appropriate.

"(3) LOCAL BOARDS.—Consistent with the criteria developed by the State, the local board may develop additional criteria of higher standards to respond to local labor market and demographic conditions and trends.

22 "(h) Funding of One-Stop Infrastructure and

23 OTHER COSTS.

24 "(1) In General.—

1	"(A) OPTIONS FOR INFRASTRUCTURE
2	FUNDING.
3	"(i) LOCAL OPTIONS.—The local
4	board, chief elected officials, and one-stop
5	partners in a local area may choose to
6	fund the costs of the infrastructure of one-
7	stop centers through—
8	"(I) alternative methods de-
9	scribed in the local memorandum of
10	understanding, if one-stop partners,
11	the local board, and chief elected offi-
12	cial agree to such alternative methods;
13	<del>Ol'</del>
14	"(II) the State infrastructure
15	funding mechanism described in para-
16	graph (2).
17	"(ii) Fallure to reach agreement
18	ON FUNDING METHODS.—If, as of July 1,
19	2004, the local board, chief elected official,
20	and one-stop partners in a local area fail
21	to reach agreement on methods of funding
22	the infrastructure costs of one-stop cen-
23	ters, the State infrastructure funding
24	mechanism described in paragraph (2)
25	shall be applicable to such local area."

1	"(B) Guidance for infrastructure
2	FUNDING.—In addition to carrying out the re-
3	quirements relating to the State mechanism for
4	one-stop center infrastructure funding described
5	in paragraph (2), the Governor, after consulta-
6	tion with chief local elected official, local
7	boards, and the State board, and consistent
8	with the guidelines provided by the State board
9	under subsection (i), shall provide—
10	"(i) guidelines for State administered
11	one-stop partner programs in determining
12	such program's contributions to and par-
13	ticipation in the one-stop delivery system,
14	including funding for the costs of infra-
15	structure as described in paragraph (4)
16	negotiated pursuant to the local memo-
17	randum of understanding under subsection
18	(b); and
19	"(ii) guidance to assist local areas in
20	identifying equitable and stable alternative
21	methods of funding of the costs of the in-
22	frastructure of one-stop centers in local
23	areas.
24	"(2) State one-stop infrastructure fund-
25	<del>ING. —</del>

1	"(A) PARTNER CONTRIBUTIONS.—
2	"(i) In General.—Notwithstanding
3	any other provision of law, but subject to
4	elause (iii), a portion determined under
5	elause (ii) of the Federal funds provided to
6	the State and areas within the State under
7	the Federal laws authorizing the programs
8	described in subsection (b) and adminis-
9	tered by one-stop partners for a fiscal year
10	shall be provided to the Governor from
11	such programs to assist in paying the costs
12	of infrastructure of one-stop centers in
13	those local areas of the State not funded
14	under the option described in paragraph
15	(1)(B)(i)(I).
16	"(ii) DETERMINATION OF GOV-
17	ERNOR.—
18	"(I) IN GENERAL.—Subject to
19	subclause (II) and clause (iii), the
20	Governor, after consultation with chief
21	local elected officials, local boards
22	and the State board, shall determine
23	the portion of funds to be provided
24	under clause (i) by each one-stop

partner from each program described

1 in clause (i). In making such deter-2 mination, the Governor shall consider 3 the proportionate use of the one-stop 4 centers pursuant to clause (i)(II) or 5 (ii) of paragraph (1)(A) by each part-6 ner, the costs of administration for 7 purposes not related to one-stop cen-8 ters for each partner, and other rel-9 evant factors described in paragraph 10 (3). The Governor shall exclude from 11 such determination the portion of 12 funds and use of one-stop centers at-13 tributable to the programs of one-stop 14 partners for those local areas of the 15 State where the infrastructure of one-16 stop centers is funded under the op-17 tion. described in paragraph 18 (1)(B)(i)(I). 19 "(II) SPECIAL RULE.—In a State 20 in which the State constitution places 21 policymaking authority that is inde-22 pendent of the authority of the Gov-23 ernor in an entity or official with re-24 spect to the funds provided for adult

education and literacy activities au-

1 thorized under title H and for postsec-2 ondary vocational and technical edu-3 cation activities authorized under the 4 Carl D. Perkins Vocational and Tech-5 nical Education Act of 1998 (20 U.S.C. 2301 et seq.), or vocational re-6 7 habilitation services offered under the Rehabilitation Act of 1973 (29 U.S.C. 8 9 701 et seq.), the determination de-10 scribed in subclause (I) with respect 11 to the programs authorized under that 12 title and that Act shall be made by 13 the Governor and the appropriate entity or official with such independent 14 15 policymaking authority. 16 "(III) APPEAL BY ONE-STOP 17 PARTNERS.—The Governor shall es-18 tablish a procedure for the one-stop 19 partner administering a program de-

partner administering a program described in subsection (b) to appeal a determination regarding the portion of funds to be contributed under this paragraph on the basis that such determination is inconsistent with the criteria described in the State plan or

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1	with the requirements of this para-
2	graph. Such procedure shall ensure
3	prompt resolution of the appeal.
4	"(iii) Limitations.—
5	"(I) Provision from Adminis-
6	TRATIVE FUNDS.—The funds provided
7	under this paragraph by each one-stop
8	partner shall be provided only from
9	funds available for the costs of admin-
10	istration under the program adminis-
11	tered by such partner, and shall be
12	subject to the program limitations
13	with respect to the portion of funds
14	under such program that may be used
15	for administration.
16	"(II) CAP ON REQUIRED CON-
17	TRIBUTIONS.—
18	"(aa) WIA FORMULA PRO-
19	GRAMS AND EMPLOYMENT SERV-
20	ICE.—The portion of funds re-
21	quired to be contributed under
22	this paragraph by the programs
23	authorized under chapters 4 and
24	5 of this title and under the
25	Wagner-Peyser Act shall not be

1	in excess of 3 percent of the
2	amount of Federal funds pro-
3	vided to carry out each such pro-
4	gram in the State for a fiscal
5	<del>year.</del>
6	"(bb) OTHER ONE-STOP
7	PARTNERS.—The portion of
8	funds required to be contributed
9	under paragraph (1)(B)(ii) by a
10	one-stop partner from a program
11	described in subsection $(b)(1)$
12	other than the programs de-
13	scribed under item (aa) shall not
14	be in excess of 1 and ½ percent
15	of the amount of Federal funds
16	provided to earry out such pro-
17	gram in the State for a fiscal
18	<del>year.</del>
19	"(cc) Special Rule.—Not-
20	withstanding items (aa) and (bb),
21	an agreement, including local
22	memorandums of understanding,
23	entered into prior to the date of
24	enactment of the Workforce In-
25	vestment Act Amendments of

1	2003 by an entity regarding con-
2	tributions under this title that
3	permits the percentages described
4	in such items to be exceeded,
5	may continue to be in effect until
6	terminated by the parties.
7	"(dd) Vocational reha-
8	BILITATION.—Notwithstanding
9	items (aa) and (bb), an entity ad-
10	ministering a program under title
11	I of the Rehabilitation Act of
12	1973 (29 U.S.C. 720 et seq.)
13	shall not be required to provide,
14	for the purposes of this para-
15	graph, an amount in excess of
16	"(AA) 0.75 percent of the
17	amount provided for such pro-
18	gram in the State for the second
19	program year that begins after
20	the date of enactment of the
21	Workforce Investment Act
22	Amendments of 2003;
23	"(BB) 1.0 percent of the
24	amount provided for such pro-
25	gram in the State for the third

1	program year that begins after
2	such date;
3	"(CC) 1.25 percent of the
4	amount provided for such pro-
5	gram in the State for the fourth
6	program year that begins after
7	such date; and
8	"(DD) 1.5 percent of the
9	amount provided for such pro-
10	gram in the State for the fifth
11	and each succeeding program
12	year that begins after such date.
13	"(III) FEDERAL DIRECT SPEND-
14	ING PROGRAMS.—An entity admin-
15	istering a program funded with direct
16	spending as defined in section
17	250(e)(8) of the Balanced Budget and
18	Emergency Deficit Control Act of
19	1985 (2 U.S.C. 900(e)(8)) shall not
20	be required to provide, for purposes of
21	this paragraph, an amount in excess
22	of the amount determined to be equiv-
23	alent to the cost of the proportionate
24	use of the one-stop centers for such
25	program in the State.

1	"(IV) NATIVE AMERICAN PRO-
2	GRAMS.—Native American programs
3	established under section 166 shall
4	not be subject to the provisions of this
5	subsection or subsection (i). The
6	method for determining the appro-
7	priate portion of funds to be provided
8	by such Native American programs to
9	pay for the costs of infrastructure of
10	a one-stop center certified under sub-
11	section (g) shall be determined as part
12	of the development of the memo-
13	randum of understanding under sub-
14	section (e) for the one-stop center and
15	shall be stated in the memorandum.
16	"(B) Allocation by Governor.—From
17	the funds provided under subparagraph (A), the
18	Governor shall allocate the funds to local areas
19	in accordance with the formula established
20	under subparagraph (C) for the purposes of as-
21	sisting in paying the costs of infrastructure of
22	one-stop centers.
23	"(C) ALLOCATION FORMULA.—The State
24	board shall develop a formula to be used by the
25	Governor to allocate the funds provided under

subparagraph (A) to local areas not funding infrastructure costs under the option described in paragraph (1)(B)(i)(II). The formula shall be based on factors including the number of onestop centers in a local area, the population served by such centers, the services provided by such centers, and other factors relating to the performance of such centers that the State board determines are appropriate.

this subsection, the term 'costs of infrastructure', used with respect to a one-stop center, means the nonpersonnel costs that are necessary for the general operation of the one-stop center, including the rental costs of the facilities, the costs of utilities and maintenance, equipment (including adaptive technology for individuals with disabilities), and technology to facilitate remote access to the one-stop center's strategic planning activities, and common out-reach activities.

## "(i) OTHER FUNDS.—

"(1) In GENERAL.—In addition to the funds provided to carry out subsection (h), a portion of funds made available under Federal law authorizing

the programs described in subsection (b) and administered by one-stop partners, or the noncash resources available under such programs, shall be used to pay the additional costs relating to the operation of the one-stop delivery system involved that are not paid from the funds provided under subsection (h), as determined in accordance with paragraph (2), to the extent not inconsistent with the Federal law involved. Such costs shall include the costs of the provision of core services described in section 134(d)(2) applicable to each program and may include—

"(A) costs of infrastructure, as defined in subsection (h), that are in excess of the amount of funds provided under subsection (h); and

"(B) common costs that are in addition to

the costs of infrastructure that are not paid from the funds provided under subsection (h).

"(2) DETERMINATION AND GUIDANCE.—The method for determining the appropriate portion of funds and noncash resources to be provided by each program under paragraph (1) for a one-stop center shall be determined as part of the development of the memorandum of understanding under subsection (e) for the one-stop center and shall be stated in the memorandum. The State board shall provide guid-

1	ance to facilitate the determination of an appro-
2	priate allocation of the funds and noncash resources
3	in local areas.".
4	SEC. 118. ELIGIBLE PROVIDERS OF TRAINING SERVICES.
5	Section 122 (29 U.S.C. 2842) is amended to read as
6	follows:
7	"SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF
8	TRAINING SERVICES.
9	"(a) In General.—The Governor, after consultation
10	with the State board, shall establish criteria and proce-
11	dures regarding the eligibility of providers of training serv-
12	ices described in section 134(d)(4) (referred to in this sec-
13	tion as 'training services') to receive funds provided under
14	section 133(b) for the provision of training services.
15	"(b) Criteria.
16	"(1) In General.—The criteria established by
17	the Governor pursuant to subsection (a) shall take
18	into account—
19	"(A) the performance of providers of train-
20	ing services with respect to the performance
21	measures described in section 136 or other ap-
22	propriate measures of performance outcomes
23	for those individuals receiving training services
24	under this subtitle (taking into consideration

1	the characteristics of the population served and
2	relevant economic conditions);
3	"(B) the need to ensure access to training
4	services throughout the State, including any
5	<del>rural areas;</del>
6	"(C) the information such providers are re-
7	quired to report to State agencies with respect
8	to Federal and State programs (other than the
9	program earried out under this subtitle), includ-
10	ing partner programs;
11	"(D) the requirements for State licensing
12	of providers of training services, and the licens-
13	ing status of each provider of training services
14	if applicable;
15	"(E) to the extent practicable, encouraging
16	the use of industry recognized standards and
17	certification;
18	"(F) the ability to provide training services
19	to hard-to-serve populations, including individ-
20	uals with disabilities; and
21	"(G) such other factors as the Governor
22	determines are appropriate to ensure—
23	"(i) the quality of services provided;
24	"(ii) the accountability of the pro-
25	<del>viders:</del>

1	"(iii) that the one-stop centers in the
2	State will ensure that such providers meet
3	the needs of local employers and partici-
4	<del>pants;</del>
5	"(iv) the informed choice of partici-
6	pants under chapter 5; and
7	"(v) that the collection of information
8	required is not unduly burdensome or cost-
9	ly to providers.
10	"(2) Information and Renewal.—The cri-
11	teria established by the Governor shall require that
12	a provider of training services submit appropriate,
13	accurate, and timely information to the State for
14	purposes of earrying out subsection (d). The criteria
15	shall also provide for annual review and renewal of
16	eligibility under this section for providers of training
17	services.
18	"(3) Local eriteria.—A local board in the

"(3) Local criteria.—A local board in the State may establish criteria in addition to the criteria established by the Governor, or may require higher levels of performance than required under the criteria established by the Governor, for purposes of determining the eligibility of providers of training services to receive funds described in subsection (a) to provide the services in the local areas involved.

- 1 "(c) Procedures.—The procedures established under subsection (a) shall identify the application process for a provider of training services to become eligible to 3 4 receive funds provided under section 133(b) for the provision of training services, and identify the respective roles 5 of the State and local areas in receiving and reviewing the applications and in making determinations of such eligi-8 bility based on the criteria established under this section. The procedures shall also establish a process for a pro-10 vider of training services to appeal a denial or termination of eligibility under this section, that includes an opportunity for a hearing and prescribes appropriate time limits
- 14 <u>"(d) Information To Assist Participants in</u> 15 <del>Choosing Providers.</del>

to ensure prompt resolution of the appeal.

"(1) In GENERAL.—In order to facilitate and assist participants in choosing employment and training activities under chapter 5 and in choosing providers of training services, the Governor shall ensure that an appropriate list of providers determined to be eligible under this section in the State, accompanied by appropriate information provided by providers of training in the State in accordance with subsection (b) and such other information as the Governor determines is appropriate, including infor-

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ble programs, is provided to the one-stop delivery system in the State. The list and the information shall be made available to such participants and to members of the public through the one-stop delivery system in the State.

"(2) SPECIAL RULE.—An entity that earries out programs under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act', 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.) shall be included on the list of eligible providers described in paragraph (1) for so long as such entity remains certified by the Department of Labor. "(e) Enforcement.—

"(1) IN GENERAL.—The criteria and procedures established under this section shall provide the following:

"(A) INTENTIONALLY SUPPLYING INAC-CURATE INFORMATION.—Upon a determination that a provider of training services, or individual providing information on behalf of the provider, intentionally supplied inaccurate information under this section, the eligibility of such provider to receive funds under chapter 5 shall

1 be terminated for a period of time that is not 2 less than 2 years. "(B) Substantial violations.—Upon a 3 determination that a provider of training serv-4 ices substantially violated any requirement 5 6 under this title, the eligibility of such provider 7 to receive funds under the program involved 8 may be terminated, or other appropriate action 9 may be taken. "(C) REPAYMENT.—A provider of training 10 11 services whose eligibility is terminated under 12 subparagraph (A) or (B) shall be liable for the 13 repayment of funds received under chapter 5 14 during a period of noncompliance described in 15 such paragraph. "(2) Construction.—Paragraph (1) shall be 16 17 construed to provide remedies and penalties that 18 supplement, but do not supplant, other civil and 19 criminal remedies and penalties.". 20 "(f) AGREEMENTS WITH OTHER STATES.—States 21 may enter into agreements, on a reciprocal basis, to permit eligible providers of training services to accept career 23 scholarship accounts provided in another State. 24 "(g) Opportunity To Submit Comments.—In establishing criteria, procedures, and information required

- 1 under this section, the Governor shall provide an oppor-
- 2 tunity for interested members of the public to make rec-
- 3 ommendations and submit comments regarding such cri-
- 4 teria, procedures, and information.
- 5 "(h) Transition Period for Implementation.—
- 6 The requirements of this section shall be implemented not
- 7 later than December 31, 2004. In order to facilitate early
- 8 implementation of this section, the Governor may establish
- 9 transition procedures under which providers eligible to
- 10 provide training services under chapter 5 of this title as
- 11 such chapter was in effect on the day before the date of
- 12 enactment of the Workforce Investment Act Amendments
- 13 of 2003 may continue to be eligible to provide such serv-
- 14 ices until December 31, 2004, or until such earlier date
- 15 as the Governor determines appropriate.
- 16 "(i) On-the-Job Training or Customized Train-
- 17 ING EXCEPTION.
- 18 "(1) IN GENERAL.—Providers of on-the-job
- training or customized training shall not be subject
- 20 to the requirements of subsections (a) through (h).
- 21 "(2) Collection and dissemination of in-
- 22 FORMATION.—A one-stop operator in a local area
- 23 shall collect such performance information from on-
- 24 the-job training and customized training providers
- 25 as the Governor may require, determine whether the

- 1 providers meet such performance criteria as the Gov-
- 2 ernor may require, and disseminate information
- 3 identifying providers that meet the criteria as eligi-
- 4 ble providers, and the performance information,
- 5 through the one-stop delivery system. Providers de-
- 6 termined to meet the criteria shall be considered to
- 7 be identified as eligible providers of training serv-
- 8 <u>ices.".</u>

## 9 SEC. 119. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

- 10 Section 123 (29 U.S.C. 2843) is amended to read as
- 11 follows:
- 12 "SEC. 123. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.
- 13 "(a) IN GENERAL.—From the funds allocated under
- 14 section 128(b) to a local area, the local board for such
- 15 area shall award grants or contracts on a competitive basis
- 16 to providers of youth activities identified based on the cri-
- 17 teria in the State plan described in section 112 and shall
- 18 conduct oversight with respect to such providers.
- 19 "(b) Exceptions.—A local board may award grants
- 20 or contracts on a sole-source basis if such board deter-
- 21 mines there is an insufficient number of eligible providers
- 22 of youth activities in the local area involved (such as a
- 23 rural area) for grants and contracts to be awarded on a
- 24 competitive basis under subsection (a).".

## 71 SEC. 120. YOUTH ACTIVITIES. 2 (a) STATE ALLOTMENTS.—Section 127 (29 U.S.C. 3 2852) is amended— 4 (1) in subsection (a)(1), by striking "oppor-5 tunity" and inserting "challenge"; and 6 (2) by striking subsection (b) and inserting the 7 following: 8 "(b) ALLOTMENT AMONG STATES.— 9 "(1) YOUTH ACTIVITIES.— "(A) YOUTH CHALLENGE GRANTS.— 10 11 "(i) In General.—For each fiscal 12 year in which the amount appropriated 13 $\frac{137(a)}{a}$ exceeds under section 14 \$1,000,000,000, the Secretary shall re-15 serve a portion of the amount to provide 16 youth challenge grants and other activities 17 under section 169 (relating to youth chal-18 lenge grants) and provide youth activities 19 under section 167 (relating to migrant and 20 seasonal farmworker programs). 21 "(ii) PORTION.—The portion referred 22 to in clause (i) shall equal, for a fiscal 23 <del>year-</del>

"(I) except as provided in sub-

1	amount appropriated under section
2	137(a) for the fiscal year; or
3	"(II) for any fiscal year in which
4	the amount is \$1,250,000,000 or
5	greater, \$250,000,000.
6	"(iii) Youth activities for farm-
7	WORKERS.—The Secretary shall reserve
8	the greater of \$10,000,000 or 4 percent of
9	the portion described in clause (i) for a fis-
10	eal year to provide youth activities under
11	section 167.
12	"(iv) NATIVE AMERICANS.—From the
13	remainder of the amount appropriated
14	under section 137(a) for each fiscal year
15	the Secretary shall reserve not more than
16	11/2 percent of such amount to provide
17	youth activities under section 166 (relating
18	to native Americans).
19	"(B) OUTLYING AREAS.—
20	"(i) In General.—From the amount
21	made available under subsection (a)(2) for
22	each fiscal year the Secretary shall reserve
23	not more than 1/4 of 1 percent of the
24	amount appropriated under section 137(a)
25	for the fiscal year to provide assistance to

1	the outlying areas to carry out youth ac-
2	tivities and statewide workforce investment
3	activities.
4	"(ii) Limitation for freely asso-
5	CIATED STATES.—
6	"(I) Competitive Grants.
7	The Secretary shall use funds de-
8	scribed in clause (i)(II) to award
9	grants to Guam, American Samoa,
10	the Commonwealth of the Northern
11	Mariana Islands, and the Freely Asso-
12	ciated States to carry out youth ac-
13	tivities and statewide workforce in-
14	vestment activities.
15	"(H) AWARD BASIS.—The Sec-
16	retary shall award grants pursuant to
17	subclause (I) on a competitive basis
18	and pursuant to the recommendations
19	of experts in the field of employment
20	and training, working through the Pa-
21	eific Region Educational Laboratory
22	in Honolulu, Hawaii.
23	"(III) Assistance require-
24	MENTS.—Any Freely Associated State
25	that desires to receive assistance

1	under this subparagraph shall submit
2	an application to the Secretary and
3	shall include in the application for as-
4	<del>sistance</del>
5	<del>"(aa)</del> <del>information</del> <del>dem</del> -
6	onstrating that the Freely Asso-
7	ciated State will meet all condi-
8	tions that apply to States under
9	this title;
10	<del>"(bb)</del> an assurance that,
11	notwithstanding any other provi-
12	sion of this title, the Freely Asso-
13	ciated State will use such assist-
14	ance only for the direct provision
15	of services; and
16	"(ce) such other information
17	and assurances as the Secretary
18	<del>may</del> require.
19	"(IV) Administrative costs.—
20	The Secretary may provide not more
21	than 5 percent of the funds made
22	available for grants under subclause
23	(I) to pay the administrative costs of
24	the Pacific Region Educational Lab-
25	oratory in Honolulu, Hawaii, regard-

1	ing activities assisted under this
2	<del>clause.</del>
3	"(iii) Additional requirement.—
4	The provisions of Public Law 95–134, per-
5	mitting the consolidation of grants by the
6	outlying areas, shall not apply to assist-
7	ance provided to those areas, including the
8	Freely Associated States, under this sub-
9	<del>paragraph.</del>
10	"(C) STATES.—
11	"(i) In General.—From the remain-
12	der of the amount appropriated under see-
13	tion 137(a) for a fiscal year that exists
14	after the Secretary determines the
15	amounts to be reserved under subpara-
16	graphs (A) and (B), the Secretary shall
17	allot to the States—
18	"(I) an amount of the remainder
19	that is less than or equal to the total
20	amount that was allotted to States for
21	fiscal year 2003 under section
22	127(b)(1)(C) of this Act (as in effect
23	on the day before the date of enact-
24	ment of the Workforce Investment Act

Amendments of 2003), in accordance

25

1	with the requirements of such section
2	127(b)(1)(C); and
3	"(II) the amount of the remain-
4	der, if any, in excess of the amount
5	referred to in subclause (I), in accord-
6	ance with clause (ii).
7	"(ii) Formula.—Subject to clauses
8	(iii) and (iv), of the amount described in
9	clause (i)(H)—
10	"(I) 33½ percent shall be allot-
11	ted on the basis of the relative num-
12	ber of individuals in the civilian labor
13	force who are ages 16 through 21 in
14	each State, compared to the total
15	number of individuals in the civilian
16	labor force who are ages 16 through
17	21 in all States;
18	"(H) 33½ percent shall be allot-
19	ted on the basis of the relative num-
20	ber of unemployed individuals in each
21	State, compared to the total number
22	of unemployed individuals in all
23	States; and
24	"(III) 331/3 percent shall be allot-
25	ted on the basis of the relative num-

1	ber of disadvantaged youth who are
2	ages 16 through 21 in each State,
3	compared to the total number of dis-
4	advantaged youth who are ages 16
5	through 21 in all States.
6	"(iii) Minimum and maximum per-
7	CENTAGES.—
8	"(I) MINIMUM PERCENTAGE.
9	The Secretary shall ensure that no
10	State shall receive an allotment per-
11	centage under this subparagraph for a
12	fiscal year that is less than 90 percent
13	of the allotment percentage of the
14	State for the preceding fiscal year.
15	"(H) MAXIMUM PERCENTAGE.
16	Subject to subclause (I), the Secretary
17	shall ensure that no State shall re-
18	ceive an allotment percentage under
19	this subparagraph for a fiscal year
20	that is more than 130 percent of the
21	allotment percentage of the State for
22	the preceding fiscal year.
23	"(iv) SMALL STATE MINIMUM ALLOT-
24	MENT.—Subject to clause (iii), the Sec-
25	retary shall ensure that no State shall re-

1	ceive an allotment under this subparagraph
2	that is less than the total of—
3	$\frac{\text{``(I)}}{\text{1}}$ $\frac{3}{10}$ of 1 percent of
4	\$1,000,000,000 of the remainder de-
5	scribed in clause (i) for the fiscal
6	<del>year; and</del>
7	"(H) if the remainder described
8	in clause (i) for the fiscal year exceeds
9	\$1,000,000,000, <sup>2</sup> / <sub>5</sub> of 1 percent of
10	the excess.
11	"(2) Definitions.—For the purposes of para-
12	<del>graph (1):</del>
13	"(A) ALLOTMENT PERCENTAGE.—The
14	term 'allotment percentage', used with respect
15	to fiscal year 2004 or a subsequent fiscal year,
16	means a percentage of the remainder described
17	in paragraph (1)(C)(i) that is received by the
18	State involved through an allotment made
19	under this subsection for the fiscal year. The
20	term, used with respect to fiscal year 2003,
21	means the percentage of the amounts allotted
22	to States under this chapter (as in effect on the
23	day before the date of enactment of the Work-
24	force Investment Act Amendments of 2003)

1	that is received by the State involved for fiscal
2	<del>year 2003.</del>
3	"(B) DISADVANTAGED YOUTH.—Subject to
4	paragraph (3), the term 'disadvantaged youth
5	means an individual who is age 16 through 21
6	who received an income, or is a member of a
7	family that received a total family income, that
8	in relation to family size, does not exceed the
9	poverty line.
10	"(C) Freely associated states.—The
11	term 'Freely Associated States' means the Re-
12	public of the Marshall Islands, the Federated
13	States of Micronesia, and the Republic of
14	Palau.
15	"(3) Special Rule.—For purposes of the for-
16	mula specified in paragraph (1)(C), the Secretary
17	shall, as appropriate and to the extent practicable
18	exclude college students and members of the Armed
19	Forces from the determination of the number of dis-
20	advantaged youth.".
21	(b) REALLOTMENT.—
22	(1) AMENDMENT.—Section 127(c) (29 U.S.C
23	2852(e)) is amended—
24	(A) by striking paragraph (2) and insert
25	ing the following:

1	"(2) Amount available for real-
2	lotment for a program year is equal to the amount
3	by which the unexpended balance at the end of the
4	program year prior to the program year for which
5	the determination is made exceeds 30 percent of the
6	total amount of funds available to the State under
7	this section during such prior program year (includ-
8	ing amounts allotted to the State in all prior pro-
9	gram years that remained available). For purposes
10	of this paragraph, the unexpended balance is the
11	amount that is the difference between—
12	"(A) the total amount of funds available to
13	the State under this section during the program
14	year prior to the program year for which the
15	determination is made (including amounts allot-
16	ted to the State in all prior program years that
17	remained available); and
18	"(B) the accrued expenditures during such
19	prior program year.";
20	(B) in paragraph (3)—
21	(i) by striking "for the prior program
22	year" and inserting "for the program year
23	for which the determination is made"; and
24	(ii) by striking "such prior program
25	year" and inserting "such program year";

1	(C) by striking paragraph (4) and insert-
2	ing the following:
3	"(4) Eligibility.—For purposes of this sub-
4	section, an eligible State means a State that does
5	not have an amount available for reallotment under
6	paragraph (2) for the program year for which the
7	determination under paragraph (2) is made."; and
8	(D) in paragraph (5), by striking "obliga-
9	tion" and inserting "expenditure".
10	(2) Effective date.—The amendments made
11	by paragraph (1)(C) shall take effect for the later
12	<del>of</del>
13	(A) the program year that begins after the
14	date of enactment of this Act; or
15	(B) program year 2004.
16	(c) WITHIN STATE ALLOCATIONS.—
17	(1) Reservation for statewide activi-
18	TIES.—Section 128(a) (29 U.S.C. 2853(a)) is
19	amended to read as follows:
20	"(a) Reservations for Statewide Activities.—
21	"(1) In GENERAL.—The Governor of a State
22	shall reserve not more than 15 percent of each of
23	the amounts allotted to the State under section
24	127(b)(1)(C) and paragraphs (1)(B) and (2)(B) of

1	section 132(b) for a fiscal year for statewide work-
2	force investment activities.
3	"(2) USE OF FUNDS.—Regardless of whether
4	the reserved amounts were allotted under section
5	127(b)(1)(C), or under paragraph $(1)(B)$ or $(2)(B)$
6	of section 132(b), the Governor may use the re-
7	served amounts to carry out statewide youth activi-
8	ties under section 129(b) or statewide employment
9	and training activities, for adults or dislocated work-
10	ers, under section 134(a).".
11	(2) WITHIN STATE ALLOCATION.—Section
12	128(b) (29 U.S.C. 2853(b)) is amended to read as
13	<del>follows:</del>
14	"(b) WITHIN STATE ALLOCATIONS.—
15	"(1) In GENERAL. Of the amount allotted to
16	the State under section 127(b)(1)(C) and not re-
17	served under subsection (a)(1)—
18	"(A) a portion equal to not less than 80
19	percent of such amount shall be allocated by
20	the Governor to local areas in accordance with
21	paragraph (2); and
22	"(B) a portion equal to not more than 20
23	percent of such amount may be allocated by the
24	Governor to local areas in accordance with
25	<del>paragraph (3).</del>

1	"(2) ESTABLISHED FORMULA.—
2	"(A) In GENERAL. Of the portion de-
3	scribed in paragraph (1)(A), the Governor shall
4	allocate—
5	"(i) 331/3 percent on the basis of the
6	relative number of individuals in the eivil-
7	ian labor force who are ages 16 through 21
8	in each local area, compared to the total
9	number of individuals in the civilian labor
10	force who are ages 16 through 21 in al
11	local areas in the State;
12	"(ii) 331/s percent on the basis of the
13	relative number of unemployed individuals
14	in each local area, compared to the total
15	number of unemployed individuals in all
16	local areas in the State; and
17	"(iii) 331/s percent on the basis of the
18	relative number of disadvantaged youth
19	who are ages 16 through 21 in each local
20	area, compared to the total number of dis-
21	advantaged youth who are ages 16 through
22	21 in all local areas in the State.
23	"(B) MINIMUM AND MAXIMUM PERCENT
24	AGES.

"(i) MINIMUM PERCENTAGE.—The Governor shall ensure that no local area shall receive an allocation percentage under this paragraph for a fiscal year that is less than 90 percent of the allocation percentage of the local area for the preceding fiscal year.

"(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the Governor shall ensure that no local area shall receive an allocation percentage under this paragraph for a fiscal year that is more than 130 percent of the allocation percentage of the local area for the preceding fiscal year.

## "(C) DEFINITIONS.—In this paragraph:

"(i) Allocation percentage, used with respect to fiscal year 2004 or a subsequent fiscal year, means a percentage of the portion described in paragraph (1)(A) that is received by the local area involved through an allocation made under this paragraph for the fiscal year. The term, used with respect to fiscal year 2003, means the percentage of the amounts allocated to local

1	areas under this chapter (as in effect on
2	the day before the date of enactment of the
3	Workforce Investment Act Amendments of
4	2003) that is received by the local area in-
5	volved for fiscal year 2003.
6	"(ii) DISADVANTAGED YOUTH.—The
7	term 'disadvantaged youth' means an indi-
8	vidual who—
9	"(I) is age 16 through 21;
10	"(H) is not a college student or
11	member of the Armed Forces; and
12	"(III) received an income, or is a
13	member of a family that received a
14	total family income, that, in relation
15	to family size, does not exceed the
16	poverty line.
17	"(3) Youth discretionary allocation.—
18	The Governor may allocate the portion described in
19	paragraph (1)(B) to local areas where there are a
20	significant number of eligible youth, after consulta-
21	tion with the State board and local board.
22	"(4) Local administrative cost limit.—
23	"(A) In General.—Of the amount allo-
24	cated to a local area under this subsection and
25	section 133(b) for a fiscal year, not more than

1	10 percent of the amount may be used by the
2	local board involved for the administrative costs
3	of earrying out local workforce investment ac-
4	tivities under this chapter or chapter 5.
5	"(B) USE OF FUNDS.—Funds made avail-
6	able for administrative costs under subpara-
7	graph (A) may be used for the administrative
8	costs of any of the local workforce investment
9	activities described in this chapter or chapter 5,
10	regardless of whether the funds were allocated
11	under this subsection or section 133(b).".
12	(3) Reallocation.—
13	(A) Amendment.—Section 128(c) (29
14	U.S.C. 2853(e)) is amended—
15	(i) in paragraph (1), by striking
16	"paragraph $(2)(A)$ or $(3)$ of";
17	(ii) by striking paragraph (2) and in-
18	serting the following:
19	"(2) Amount.—The amount available for re-
20	allocation for a program year is equal to the amount
21	by which the unexpended balance at the end of the
22	program year prior to the program year for which
23	the determination is made exceeds 30 percent of the
24	total amount of funds available to the local area
25	under this section during such prior program year

1	(including amounts allocated to the local area in all
2	prior program years that remained available). For
3	purposes of this paragraph, the unexpended balance
4	is the amount that is the difference between—
5	"(A) the total amount of funds available to
6	the local area under this section during the pro-
7	gram year prior to the program year for which
8	the determination is made (including amounts
9	allocated to the local area in all prior program
10	years that remained available); and
11	"(B) the accrued expenditures during such
12	prior program year.";
13	(iii) by amending paragraph (3)—
14	(I) by striking "subsection
15	(b)(3)" each place it appears and in-
16	serting "subsection (b)";
17	(II) by striking "for the prior
18	program year" and inserting "for the
19	program year for which the deter-
20	mination is made";
21	(III) by striking "such prior pro-
22	gram year" and inserting "such pro-
23	gram year"; and
24	(IV) by striking the last sen-
25	tence; and

1	(iv) by striking paragraph (4) and in-
2	serting the following:
3	"(4) Eligibility.—For purposes of this sub-
4	section, an eligible local area means a local area that
5	does not have an amount available for reallocation
6	under paragraph (2) for the program year for which
7	the determination under paragraph (2) is made.".
8	(B) EFFECTIVE DATE.—The amendments
9	made by subparagraph (A) shall take effect for
10	the later of—
11	(i) the program year that begins after
12	the date of enactment of this Act; or
13	(ii) program year 2004.
14	(d) Youth Participant Eligibility.—Section
15	129(a) (29 U.S.C. 2854(a)) is amended to read as follows:
16	"(a) Youth Participant Eligibility.—
17	"(1) Eligibility.—
18	"(A) In General.—To be eligible to par-
19	ticipate in activities carried out under this
20	chapter during any program year an individual
21	shall, at the time the eligibility determination is
22	made, be an out-of-school youth or an in-school
23	<del>youth.</del>

1	"(B) Out-of-school youth.—In this
2	section the term 'out-of-school youth' means an
3	individual who is—
4	"(i) not younger than age 16 (subject
5	to paragraph (3)) nor older than age 21;
6	and
7	"(ii) one of the following:
8	"(I) A school dropout.
9	"(II) A youth who is within the
10	age for compulsory school attendance,
11	but has not attended school for at
12	least 1 school year calendar quarter.
13	"(III) A recipient of a secondary
14	school diploma or its equivalent who
15	<del>is </del>
16	<del>"(aa)</del> deficient in basic
17	skills, including limited English
18	proficiency;
19	<del>"(bb)</del> a low-income indi-
20	vidual; and
21	"(ce) not attending any
22	school; or
23	"(IV) Subject to the juvenile jus-
24	tice system or ordered by a court to
25	an alternative school

1	"(V) A low-income individual who
2	is pregnant or parenting and not at-
3	tending any school.
4	"(VI) A youth who is not attend-
5	ing school or a youth attending an al-
6	ternative school, who is homeless, a
7	runaway, a foster child, a child eligi-
8	ble for assistance under section 477 of
9	the Social Security Act, or in an out-
10	of-home placement.
11	"(C) IN-SCHOOL YOUTH.—In this section
12	the term 'in-school youth' means an individual
13	who is—
14	"(i) not younger than age 14 nor
15	older than age 21;
16	"(ii) a low-income individual; and
17	"(iii) one or more of the following:
18	"(I) Deficient in basic literacy
19	skills, including limited English pro-
20	ficiency.
21	<del>"(H)</del> Homeless, a runaway, a
22	foster child, a child eligible for assist-
23	ance under section 477 of the Social
24	Security Act, or in an out-of-home
25	<del>placement.</del>

1	"(III) Pregnant or parenting.
2	"(IV) An offender (other than an
3	individual described in subparagraph
4	(B)(ii)(IV)).
5	"(V) An individual who requires
6	additional assistance to complete an
7	educational program, or to secure or
8	hold employment.
9	"(2) Exception.—Not more than 5 percent of
10	the individuals assisted under this section in each
11	local area may be individuals who are not low-in-
12	come with respect to individuals for whom low-in-
13	come is a requirement for eligibility under this sec-
14	tion.
15	"(3) Limitations on activities for in-
16	SCHOOL YOUTH.—
17	"(A) In General.—For any program
18	year, not more than 60 percent of the funds
19	available for statewide activities that serve
20	youth under subsection (b), and not more than
21	60 percent of funds available to local areas
22	under subsection (e), may be used to provide
23	activities for in-school youth meeting the re-
24	quirements of paragraph (1)(B).

1	"(B) Exception.—A State that receives a
2	minimum allotment under section 127(b)(1) in
3	accordance with section 127(b)(1)(C)(iv)(II) or
4	under section 132(b)(1) in accordance with sec-
5	tion 132(b)(1)(B)(iv)(II) may increase the per-
6	centage described in subparagraph (A) for a
7	local area in the State, if—
8	"(i) after an analysis of the eligible
9	youth population in the local area, the
10	State determines that the local area will be
11	unable to use at least 40 percent of the
12	funds available for activities that serve
13	youth under subsection (b) to serve out-of-
14	school youth due to a low number of out-
15	of-school youth; and
16	"(ii)(I) the State submits to the Sec-
17	retary, for the local area, a request includ-
18	ing a proposed reduced percentage for pur-
19	poses of subparagraph (A), and the sum-
20	mary of the eligible youth population anal-
21	<del>ysis;</del> and
22	"(H) the request is approved by the
23	Secretary.
24	"(4) Consistency with compulsory school
25	ATTENDANCE LAWS.—In providing assistance under

1	this section to an individual who is required to at-
2	tend school under applicable State compulsory school
3	attendance laws, the priority in providing such as-
4	sistance shall be for the individual to attend school
5	regularly.".
6	(e) STATEWIDE ACTIVITIES.—Section 129(b) (29
7	U.S.C. 2854(b)) is amended to read as follows:
8	"(b) STATEWIDE ACTIVITIES.—
9	"(1) In GENERAL. Funds reserved by a Gov-
10	ernor for a State as described in sections 128(a) and
11	133(a)(1) shall be used, regardless of whether the
12	funds were allotted to the State under section
13	127(b)(1)(C) or under paragraph (1) or (2) of sec-
14	tion 132(b) for statewide activities, which may in-
15	<del>elude—</del>
16	"(A) conducting—
17	"(i) evaluations under section 136(e)
18	of activities authorized under this chapter
19	and chapter 5 in coordination with evalua-
20	tions carried out by the Secretary under
21	section 172;
22	"(ii) research; and
23	"(iii) demonstration projects;
24	"(B) providing incentive grants to local
25	areas for regional cooperation among local

boards (including local boards in a designated region as described in section 116(e)), for local coordination of activities carried out under this title, and for exemplary performance by local areas under section 136(i)(2);

"(C) providing technical assistance and capacity building activities to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, the provision of technical assistance to local areas that fail to meet local performance measures described in section 136(c), and the provision of technology to facilitate remote access to services provided through one-stop delivery systems;

"(D) operating a fiscal and management accountability information system under section 136(f);

"(E) carrying out monitoring and oversight of activities carried out under this chapter and chapter 5, which may include a review comparing the services provided to male and female youth;

1	"(F) providing additional assistance to
2	local areas that have high concentrations of eli-
3	gible youth;
4	"(G) supporting the development of alter-
5	native programs and other activities that en-
6	hance the choices available to eligible youth and
7	encourage such youth to reenter secondary edu-
8	eation, enroll in postsecondary education and
9	advanced training, and obtain career path em-
10	ployment; and
11	"(H) supporting the provision of core serv-
12	ices described in section 134(d)(2) in the one-
13	stop delivery system in the State;
14	"(2) Limitation.—Not more than 5 percent of
15	the funds allotted to a State under section
16	127(b)(1)(C) shall be used by the State for adminis-
17	trative activities carried out under this subsection or
18	section 134(a).
19	"(3) Prohibition.—No funds described in this
20	subsection may be used to develop or implement
21	education curricula for school systems in the
22	State.".
23	(f) Local Elements and Requirements.—
24	(1) Program design.—Section 129(c)(1) (29
25	U.S.C. 2854(c)(1)) is amended—

1	(A) in the matter that precedes subpara-
2	graph (A), by striking "paragraph (2)(A) or
3	(3), as appropriate, of";
4	(B) in subparagraph (B), by inserting "are
5	directly linked to 1 or more of the performance
6	measures relating to this chapter under section
7	136, and that" after "for each participant
8	that"; and
9	(C) in subparagraph (C)—
10	(i) by redesignating clauses (i)
11	through (iv) as clauses (ii) through (v), re-
12	spectively;
13	(ii) by inserting before clause (ii) (as
14	redesignated by clause (i)) the following:
15	"(i) activities leading to the attain-
16	ment of a secondary school diploma or its
17	equivalent, or another recognized creden-
18	tial;";
19	(iii) in clause (ii) (as redesignated by
20	clause (i)), by inserting "and advanced
21	training" after "opportunities";
22	(iv) in clause (iii) (as redesignated by
23	elause (i))—
24	(I) by inserting "instruction
25	based on State academic content and

1	student academic achievement stand-
2	ards established under section 1111 of
3	the Elementary and Secondary Edu-
4	eation Act of 1965 (20 U.S.C. 6311)
5	after "academie"; and
6	(II) by inserting "that lead to the
7	attainment of recognized credentials.
8	after "learning"; and
9	(v) by striking clause (v) (as redesig-
10	nated by clause (i)) and inserting the fol-
11	<del>lowing:</del>
12	"(v) effective connections to all em-
13	ployers, including small employers, in sec-
14	tors of the local and regional labor markets
15	that are experiencing high growth in em-
16	ployment opportunities.".
17	(2) Program elements.—Section 129(e)(2)
18	(29 U.S.C. 2854(e)(2)) is amended—
19	(A) in subparagraph (A), by striking "see-
20	ondary school, including dropout prevention
21	strategies" and inserting "the requirements for
22	a secondary school diploma or its recognized
23	equivalent (including recognized alternative
24	standards for individuals with disabilities) or

1	for another recognized eredential, including
2	dropout prevention strategies";
3	(B) in subparagraph (B), by inserting ",
4	with a priority on exposing youth to technology
5	and nontraditional jobs" before the semicolon;
6	(C) in subparagraph (F), by striking "dur-
7	ing nonschool hours";
8	(D) in subparagraph (I), by striking "and"
9	at the end;
10	(E) in subparagraph (J), by striking the
11	period at the end and inserting a semicolon;
12	and
13	(F) by adding at the end the following:
14	"(K) on-the-job training opportunities;
15	"(L) opportunities to acquire financial lit-
16	eracy skills;
17	"(M) entrepreneurial skills training and
18	microenterprise services; and
19	"(N) information about average wages for
20	a range of jobs available in the local area, in-
21	eluding technology jobs.".
22	(3) Additional requirements.—Section
23	129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended
24	in the matter preceding clause (i) by striking "or ap-

1	plicant who meets the minimum income criteria to
2	be considered an eligible youth".
3	(4) Priority and exceptions.—Section
4	129(e) (29 U.S.C. 2854(e)) is amended by striking
5	paragraphs $(4)$ and $(5)$ .
6	(5) Prohibitions and Linkages.—Section
7	129(e) (29 U.S.C. 2854(e)), as amended by para-
8	graph (4), is further amended—
9	(A) by redesignating paragraphs (6), (7),
10	and (8) as paragraphs (4), (5), and (6), respec-
11	tively;
12	(B) in paragraph (4) (as redesignated by
13	$\frac{\text{subparagraph}}{(A)}$
14	(i) by striking subparagraph (B); and
15	(ii) by redesignating subparagraph
16	(C) as subparagraph (B); and
17	(C) in paragraph (5) (as redesignated by
18	subparagraph (A)), by striking "youth councils"
19	and inserting "local boards".
20	SEC. 121. ADULT AND DISLOCATED WORKER EMPLOYMENT
21	AND TRAINING ACTIVITIES.
22	(a) State Allotments.—
23	(1) Reservations.—Section 132(a)(2)(A) is
24	amended by striking "national emergency grants"
25	and inserting "national dislocated worker grants".

1 (2) Allotment among states.—Section
2 132(b) (29 U.S.C. 2862(b)) is amended—
(A) in paragraph $(1)(A)(ii)$ , by striking
"section 127(b)(1)(B)" and all that follows and
inserting "section 127(b)(1)(D).";
6 (B) by striking paragraph (1)(B)(ii) and
7 inserting the following:
8 "(ii) FORMULA.—Subject to clauses
9 (iii) and (iv), of the remainder—
"(I) 40 percent shall be allotted
on the basis of the relative number of
2 <u>unemployed individuals in areas of</u>
3 substantial unemployment in each
State, compared to the total number
of unemployed individuals in areas of
substantial unemployment in all
7 States;
8 "(H) 25 percent shall be allotted
on the basis of the relative number of
individuals in the civilian labor force
in each State, compared to the total
2 number of such individuals in all
States; and
4 "(III) 35 percent shall be allotted
on the basis of the relative number of

1	disadvantaged adults in each State,
2	compared to the total number of dis-
3	advantaged adults in all States, except
4	as described in clause (iii).";
5	(C) in paragraph (1)(B)(iii), by striking
6	"section 116(a)(2)(B)" and inserting "section
7	116(a)(2)(A)(ii)"; and
8	(D) in paragraph (2)(A)(ii), by striking
9	"section 127(b)(1)(B)" and all that follows and
10	inserting "section 127(b)(1)(D).".
11	(3) REALLOTMENT.—Section 132(c) (29 U.S.C.
12	2862(e)) is amended—
13	(A) by striking paragraph (2) and insert-
14	ing the following:
15	"(2) Amount.—The amount available for real-
16	lotment for a program year for programs funded
17	under subsection $(b)(1)(B)$ (relating to adult em-
18	ployment and training) and subsection (b)(2)(B) (re-
19	lating to dislocated worker employment and train-
20	ing), respectively, is equal to the amount by which
21	the unexpended balance at the end of the program
22	year prior to the program year for which the deter-
23	mination is made exceeds 30 percent of the total
24	amount of funds available to the State under sub-
25	section (b)(1)(B) or (b)(2)(B), respectively, during

1	such prior program year (including amounts allotted	
2	to the State in all prior program years under such	
3	provisions that remained available). For purposes of	
4	this paragraph, the unexpended balance is the	
5	amount that is the difference between—	
6	"(A) the total amount of funds available to	
7	the State under subsection (b)(1)(B) or	
8	(b)(2)(B), respectively, during the program year	
9	prior to the program year for which the deter-	
10	mination is made (including amounts allotted to	
11	the State in all prior program years under such	
12	provisions that remained available); and	
13	"(B) the accrued expenditures from such	
14	total amount of funds available under sub-	
15	section $(b)(1)(B)$ or $(b)(2)(B)$ , respectively,	
16	during such prior program year.";	
17	(B) in paragraph (3)—	
18	(i) by striking "under this section for	
19	such activities for the prior program year"	
20	and inserting "under subsection (b)(1)(B)	
21	or (b)(2)(B), as appropriate, for the pro-	
22	gram year for which the determination is	
23	made"; and	
24	(ii) by striking "under this subsection	
25	for such activities for such prior program	

1	year" and inserting "under subsection
2	(b)(1)(B) or $(b)(2)(B)$ , as appropriate, for
3	such program year";
4	(C) by striking paragraph (4) and insert-
5	ing the following:
6	"(4) Eligibility.—For purposes of this sub-
7	section, an eligible State means—
8	"(A) with respect to funds allotted under
9	subsection (b)(1)(B), a State that does not have
10	an amount of such funds available for reallot-
11	ment under paragraph (2) for the program year
12	for which the determination under paragraph
13	(2) is made; and
14	"(B) with respect to funds allotted under
15	subsection (b)(2)(B), a State that does not have
16	an amount of such funds available for reallot-
17	ment under paragraph (2) for the program year
18	for which the determination under paragraph
19	(2) is made."; and
20	(D) in paragraph (5), by striking "obliga-
21	tion" and inserting "expenditure".
22	(4) EFFECTIVE DATE.—The amendments made
23	by paragraph (3) shall take effect for the later of—
24	(A) the program year that begins after the
25	date of engetment of this Act. or

1	(B) program year 2004.
2	(b) WITHIN STATE ALLOCATIONS.—
3	(1) Allocation.—Section 133(b)(5)(B)(ii) (29
4	U.S.C. 2863(b)(5)(B)(ii)) is amended by striking
5	"section 134(e)" and inserting "section 121(e)".
6	(2) REALLOCATION.—Section 133(e) (29
7	U.S.C. 2863(e)) is amended—
8	(A) in paragraph (1), by inserting ", and
9	under subsection (b)(2)(B) for dislocated work-
10	er employment and training activities," after
11	"activities";
12	(B) by striking paragraph (2) and insert-
13	ing the following:
14	"(2) Amount.—The amount available for re-
15	allocation for a program year for programs funded
16	under paragraphs (2)(A) and (3) of subsection (b)
17	(relating to adult employment and training) and
18	subsection (b)(2)(B) (relating to dislocated worker
19	employment and training), respectively, is equal to
20	the amount by which the unexpended balance at the
21	end of the program year prior to the program year
22	for which the determination is made exceeds 30 per-
23	cent of the total amount of funds available to the
24	local area under paragraphs (2)(A) and (3) of sub-
25	section (b), or subsection (b)(2)(B), respectively,

1	during such prior program year (including amounts
2	allocated to the local area in all prior program years
3	under such provisions that remained available). For
4	purposes of this paragraph, the unexpended balance
5	is the amount that is the difference between—
6	"(A) the total amount of funds available to
7	the local area under paragraphs (2)(A) and (3)
8	of subsection (b), or subsection (b)(2)(B), re-
9	spectively, during the program year prior to the
10	program year for which the determination is
11	made (including amounts allotted to the local
12	area in all prior program years under such pro-
13	visions that remained available); and
14	"(B) the accrued expenditures from such
15	total amount of funds available under para
16	graphs (2)(A) and (3) of subsection (b), or sub-
17	section (b)(2)(B), respectively, during such
18	prior program year.";
19	(C) by striking paragraph (3) and insert-
20	ing the following:
21	"(3) Reallocation.—In making reallocations
22	to eligible local areas of amounts available pursuant
23	to paragraph (2) for a program year, the Governor
24	shall allocate to each eligible local area within the

State-

25

1	"(A) with respect to amounts that are
2	available for reallocation under paragraph (2)
3	that were allocated under paragraphs $(2)(A)$ or
4	(3) of subsection (b), an amount based on the
5	relative amount allocated to such local area
6	under paragraphs (2)(A) or (3) of subsection
7	(b), as appropriate, for the program year for
8	which the determination is made, as compared
9	to the total amount allocated to all eligible local
10	areas under paragraphs (2)(A) or (3) of sub-
11	section (b), as appropriate, of such program
12	year; and
13	"(B) with respect to amounts that are
14	available for reallocation under paragraph (2)
15	that were allocated under subsection (b)(2)(B),
16	an amount based on the relative amount allo-
17	eated to such local area under subsection
18	(b)(2)(B) for the program year for which the
19	determination is made, as compared to the total
20	amount allocated to all eligible local areas
21	under subsection $(b)(2)(B)$ for such program
22	year.''; and
23	(D) by striking paragraph (4) and insert-

ing the following:

24

1	"(4) ELIGIBILITY.—For purposes of this sub-
2	section, an eligible local area means—
3	"(A) with respect to funds allocated under
4	paragraphs $(2)(A)$ or $(3)$ of subsection $(b)$ , $\epsilon$
5	local area that does not have an amount of such
6	funds available for reallocation under paragraph
7	(2) for the program year for which the deter-
8	mination under paragraph (2) is made; and
9	"(B) with respect to funds allocated under
10	subsection (b)(2)(B), a local area that does not
11	have an amount of such funds available for re-
12	allocation under paragraph (2) for the program
13	year for which the determination under para-
14	graph (2) is made.".
15	(3) Effective date.—The amendments made
16	by paragraph (2) shall take effect for the later of
17	(A) the program year that begins after the
18	date of enactment of this Act; or
19	(B) program year 2004.
20	(c) Use of Funds for Employment and Train-
21	ING ACTIVITIES.—
22	(1) STATEWIDE EMPLOYMENT AND TRAINING
23	ACTIVITIES —

1 (A) STATEWIDE	RAPID RESPONSE ACTIVI-
2 TIES.—Section 134	$\frac{H(a)(2)(A)}{(29)}$ (29 U.S.C.
$\frac{2864(a)(2)(A)}{a}$ is am	nended to read as follows:
4 "(A) STATEWIDE	RAPID RESPONSE ACTIVI-
5 TIES.—	
6 <u>"(i)</u> IN G	ENERAL. A State shall
7 carry out statew	ride rapid response activi-
8 ties using funds	reserved by a Governor for
9 a State under se	ection 133(a)(2). Such ac-
10 tivities shall inch	<del>ide—</del>
11 <u>"(I)</u> pr	rovision of rapid response
12 activities, ea	arried out in local areas by
the State of	r by an entity designated
14 by the Stat	e, working in conjunction
15 with the lo	eal boards and the chief
16 elected office	cials for the local areas;
17 and	
18 <u>"(II)</u> p	provision of additional as-
19 sistance to l	local areas that experience
20 <del>disasters, m</del>	nass layoffs, or plant clos-
21 ings, or oth	ner events that precipitate
22 substantial i	increases in the number of
23 unemployed	individuals, earried out in
24 local areas	by the State, working in
25 <u>conjunction</u>	with the local boards and

1	the chief elected officials for the local
2	areas.
3	"(ii) Use of unexpended funds.—
4	Funds reserved under section 133(a)(2) to
5	carry out this subparagraph that remain
6	unexpended after the first program year
7	for which such funds were allotted may be
8	used by the Governor to carry out state-
9	wide activities authorized under subpara-
10	graphs (B) and (C) in addition to activities
11	under this subparagraph.".
12	(B) STATEWIDE EMPLOYMENT AND TRAIN-
13	ING ACTIVITIES.—Section 134(a)(2) (29 U.S.C.
14	2864(a)(2)) is amended by striking subpara-
15	graph (B) and inserting the following:
16	"(B) STATEWIDE EMPLOYMENT AND
17	TRAINING ACTIVITIES.—Funds reserved by a
18	Governor for a State under sections 128(a)(1)
19	and 133(a)(1) and not used under paragraph
20	(1)(A) shall be used for statewide employment
21	and training activities, including—
22	"(i) disseminating—
23	"(I) the State list of eligible pro-
24	viders of training services, including

1	<del>eligible providers of nontraditional</del>
2	training services;
3	"(II) information identifying eli-
4	gible providers of on-the-job training
5	and customized training;
6	"(III) performance information
7	and program cost information, as de-
8	scribed in subsections (e) and (h) of
9	section 122; and
10	"(IV) information on physical
11	and programmatic assessability for in-
12	dividuals with disabilities;
13	"(ii) conducting evaluations under
14	section 136(e) of activities authorized
15	under this chapter and chapter 5 in coordi-
16	nation with evaluations carried out by the
17	Secretary under section 172;
18	"(iii) providing incentive grants to
19	local areas in recognition of exceptional
20	achievement relating to—
21	"(I) regional cooperation among
22	local boards (including local boards in
23	a designated region as described in
24	section $116(e)$ ;

1	"(II) expanded local coordination
2	of programs and activities carried out
3	as part of a comprehensive workforce
4	investment system, including—
5	<del>"(aa)</del> coordination of em-
6	ployment services under the
7	Wagner-Peyser Act and core ac-
8	tivities under this title; and
9	<del>"(bb)</del> partner programs de-
10	seribed in section 121;
11	"(III) exemplary performance by
12	<del>local areas as described in section</del>
13	<del>136(i)(2);</del> and
14	"(IV) providing expanded access
15	to education and training services, es-
16	pecially through increased leveraging
17	of resources other than those provided
18	through programs under this title;
19	"(iv) providing technical assistance
20	and capacity building to local areas, one-
21	stop operators, one-stop partners, and eli-
22	gible providers, including the development
23	and training of staff, the development of
24	exemplary program activities, and the pro-
25	vision of technical assistance to local areas

1	that fail to meet local performance meas-
2	ures described in section 136(c), which
3	may include the development and training
4	of staff to provide opportunities for hard-
5	to-serve populations to enter high-wage,
6	high-skilled, and nontraditional occupa-
7	tions;
8	"(v) operating a fiscal and manage-
9	ment accountability system under section
10	<del>136(f);</del> and
11	"(vi) carrying out monitoring and
12	oversight of activities carried out under
13	this chapter and chapter 4.".
14	(C) Allowable statewide employment
15	AND TRAINING ACTIVITIES.—Section
16	134(a)(3)(A) (29 U.S.C. $2864(a)(3)(A)$ is
17	amended to read as follows:
18	"(A) In General. A State may use
19	funds reserved as described in sections 128(a)
20	and 133(a)(1) (regardless of whether the funds
21	were allotted to the State under section
22	127(b)(1) or paragraph $(1)$ or $(2)$ of section
23	132(b)) to carry out additional statewide em-
24	ployment and training activities, which may in-
25	<del>clude—</del>

1	"(i) implementing innovative pro-
2	grams and strategies designed to meet the
3	needs of all businesses in the State, includ-
4	ing small businesses, which may include in-
5	cumbent worker training programs, sec-
6	toral and industry cluster strategies and
7	partnerships, including regional skills alli-
8	ances, career ladder programs, micro-en-
9	terprise and entrepreneurial training and
10	support programs, utilization of effective
11	business intermediaries, activities to im-
12	prove linkages between the one-stop deliv-
13	ery systems in the State and all employers
14	(including small employers), in the State
15	and other business services and strategies
16	that better engage employers in workforce
17	activities and make the workforce invest-
18	ment system more relevant to the needs of
19	State and local businesses, consistent with
20	the purposes of this Act;
21	"(ii) developing strategies for effec-
22	tively serving hard-to-serve populations
23	and for coordinating programs and services
24	among one-stop partners;

1	"(iii) implementing innovative pro-
2	grams for displaced homemakers, which for
3	purposes of this subparagraph may include
4	an individual who is receiving public assist-
5	ance and is within 2 years of exhausting
6	lifetime eligibility under part A of title IV
7	of the Social Security Act (42 U.S.C. 601
8	et seq.);
9	"(iv) developing strategies for ensur-
10	ing that activities carried out under this
11	section are placing men and women in
12	jobs, education, and training that lead to
13	comparable pay;
14	"(v) implementing programs to in-
15	crease the number of individuals training
16	for and placed in nontraditional employ-
17	ment;
18	"(vi) carrying out activities to facili-
19	tate remote access to services, including
20	training services described in subsection
21	(d)(4), provided through a one-stop deliv-
22	ery system, including facilitating access
23	through the use of technology;

1	"(vii) supporting the provision of core
2	services described in subsection $(d)(2)$ in
3	the one-stop delivery system in the State;
4	"(viii) coordinating with the child wel-
5	fare system to facilitate services for chil-
6	dren in foster care and those who are eligi-
7	ble for assistance under section 477 of the
8	Social Security Act;
9	"(ix) activities—
10	"(I) to improve coordination be-
11	tween workforce investment activities
12	carried out within the State involved
13	and economic development activities;
14	"(II) to improve coordination be-
15	tween employment and training assist-
16	ance and child support services and
17	assistance provided by State and local
18	agencies carrying out part D of title
19	W of the Social Security Act (42)
20	U.S.C. 651 et seq.);
21	"(III) to improve coordination
22	between employment and training as-
23	sistance and cooperative extension
24	programs carried out by the Depart-
25	ment of Agriculture; and

1	"(IV) to develop and disseminate
2	workforce and labor market informa-
3	tion;
4	"(x) conducting—
5	"(I) research; and
6	"(II) demonstration projects; and
7	"(xi) adopting, calculating, or com-
8	missioning a minimum self-sufficiency
9	standard that specifies the income needs of
10	families, by family size, the number and
11	ages of children in the family, and sub-
12	State geographical considerations.".
13	(2) REQUIRED LOCAL EMPLOYMENT AND
14	TRAINING ACTIVITIES.—
15	(A) Allocated funds.—Section
16	134(d)(1) (29 U.S.C. 2864(d)(1)) is amended—
17	(i) in clause (i), by striking "described
18	in subsection (e)";
19	(ii) in clause (iii), by striking "and"
20	at the end;
21	(iii) in clause (iv), by striking the pe-
22	riod and inserting a semicolon; and
23	(iv) by adding at the end the fol-
24	<del>lowing:</del>

1	"(v) to designate a dedicated business
2	liaison in the local area who may be funded
3	with funds provided under this title or
4	from other sources to establish and develop
5	relationships and networks with large and
6	small employers and their intermediaries;
7	and
8	"(vi) in order to avoid duplication of
9	services and enhance coordination of serv-
10	ices, to require the colocation of employ-
11	ment services provided under the Wagner-
12	Peyser Act at the comprehensive one-stop
13	centers.".
14	(B) Core services.—Section 134(d)(2)
15	(29 U.S.C. 2864(d)(2)) is amended—
16	(i) in the matter preceding subpara-
17	graph $(A)$ , by striking "paragraph $(1)(A)$ "
18	and inserting "paragraph (1)";
19	(ii) in subparagraph (A), by striking
20	"under this subtitle" and inserting "under
21	the programs described in section 121(b)
22	and administered by one-stop partners,
23	consistent with the requirements of such
24	<del>programs";</del>

1	(iii) by striking subparagraph (D) and
2	inserting the following:
3	"(D) labor exchange services, including—
4	"(i) job search and placement assist-
5	ance and, in appropriate eases, eareer
6	counseling, including—
7	"(I) exposure to high wage, high
8	skill jobs; and
9	"(II) nontraditional employment;
10	and
11	<del>''(ii)</del> appropriate recruitment and
12	other business services for all employers,
13	including small employers, in the local
14	area, which may include services described
15	in this subsection, including information
16	and referral to specialized business services
17	not traditionally offered through the one-
18	stop delivery system;";
19	(iv) in subparagraph (E)(iii)—
20	(I) by inserting ", career lad-
21	ders," after "earnings"; and
22	(II) by striking "and" at the end;
23	(v) in subparagraph (F)—
24	(I) by striking "and program cost
25	information"; and

1	(H) by striking "described in sec-
2	tion 123";
3	(vi) by striking subparagraph (H) and
4	inserting the following:
5	"(H) provision of accurate information, in
6	formats that are usable and understandable to
7	all one-stop customers, relating to the avail-
8	ability of supportive services or assistance, in-
9	eluding childcare, child support, medical or
10	child health assistance under title XIX or XXI
11	of the Social Security Act, benefits under the
12	Food Stamp Act of 1977, the earned income
13	tax credit under section 32 of the Internal Rev-
14	enue Code of 1986, and assistance under a
15	State program funded under part A of title IV
16	of the Social Security Act and other supportive
17	services and transportation provided through
18	funds made available under such part, available
19	in the local area, and referral to such services
20	or assistance as appropriate;"; and
21	(vii) in subparagraph (J), by striking
22	"for—" and all that follows through "(ii)
23	programs" and inserting "for programs".
24	(C) Intensive services.—Section
25	134(d)(3) (29 U.S.C. 2864(d)(3)) is amended—

1	(i) by striking subparagraph (A) and
2	inserting the following:
3	"(A) IN GENERAL.—
4	"(i) ELIGIBILITY.—Except as pro-
5	vided in clause (ii), funds allocated to a
6	<del>local area for adults under paragraph</del>
7	(2)(A) or $(3)$ , as appropriate, of section
8	133(b), and funds allocated to the local
9	area for dislocated workers under section
10	133(b)(2)(B), shall be used to provide in-
11	tensive services to adults and dislocated
12	workers, respectively—
13	"(I) who are unemployed and
14	who, after an interview, evaluation, or
15	assessment, have been determined by
16	a one-stop operator or one-stop part-
17	ner to be—
18	"(aa) unlikely or unable to
19	obtain employment, that leads to
20	self-sufficiency or wages com-
21	parable to or higher than pre-
22	vious employment, through core
23	services described in paragraph
24	(2); and

1	"(bb) in need of intensive
2	services in order to obtain em-
3	ployment that leads to self-suffi-
4	ciency or wages comparable to or
5	higher than previous employ-
6	ment; or
7	"(II) who are employed, but who,
8	after an interview, evaluation, or as-
9	sessment are determined by a one-
10	stop operator or one-stop partner to
11	be in need of intensive services to ob-
12	tain or retain employment that leads
13	to self-sufficiency.
14	"(ii) Special Rule.—A new inter-
15	view, evaluation, or assessment of a partic-
16	ipant is not required under clause (i) if the
17	one-stop operator or one-stop partner de-
18	termines that it is appropriate to use a re-
19	cent assessment of the participant con-
20	ducted pursuant to another education or
21	training program."; and
22	(ii) in subparagraph (C)—
23	(I) in clause (v), by striking "for
24	participants seeking training services
25	under paragraph (4)"; and

1	(II) by adding at the end the fol-
2	<del>lowing:</del>
3	"(vii) Internships and work experi-
4	ence.
5	"(viii) Literacy activities relating to
6	basic work readiness, and financial literacy
7	activities.
8	"(ix) Out-of-area job search assistance
9	and relocation assistance.
10	"(x) English language acquisition and
11	integrated training programs.".
12	(D) Training services. Section
13	134(d)(4) (29 U.S.C. 2864(d)(4)) is amended—
14	(i) by striking subparagraph (A) and
15	inserting the following:
16	"(A) IN GENERAL.—
17	"(i) ELIGIBILITY.—Except as pro-
18	vided in clause (ii), funds allocated to a
19	<del>local area for adults under paragraph</del>
20	(2)(A) or $(3)$ , as appropriate, of section
21	133(b), and funds allocated to the local
22	area for dislocated workers under section
23	133(b)(2)(B), shall be used to provide
24	training services to adults and dislocated
25	workers, respectively—

1	"(I) who, after an interview, eval-
2	uation, or assessment, and case man-
3	agement, have been determined by a
4	one-stop operator or one-stop partner,
5	as appropriate, to—
6	<del>"(aa)</del> be unlikely or unable
7	to obtain or retain employment,
8	that leads to self-sufficiency or
9	wages comparable to or higher
10	than previous employment,
11	through the intensive services de-
12	seribed in paragraph (3);
13	"(bb) be in need of training
14	services to obtain or retain em-
15	ployment that leads to self-suffi-
16	ciency or wages comparable to or
17	higher than previous employ-
18	ment; and
19	"(ce) have the skills and
20	qualifications to successfully par-
21	ticipate in the selected program
22	of training services;
23	"(H) who select programs of
24	training services that are directly
25	linked to the employment opportuni-

1	ties in the local area or region in-
2	volved or in another area to which the
3	adults or dislocated workers are will-
4	ing to commute or relocate;
5	"(III) who meet the requirements
6	of subparagraph (B); and
7	"(IV) who are determined to be
8	eligible in accordance with the priority
9	system in effect under subparagraph
10	<del>(E).</del>
11	"(ii) SPECIAL RULE.—A new inter-
12	view, evaluation, or assessment of a partic-
13	ipant is not required under clause (i) if the
14	one-stop operator or one-stop partner de-
15	termines that it is appropriate to use a re-
16	cent assessment of the participant con-
17	ducted pursuant to another education or
18	training program.";
19	(ii) in subparagraph (B)(i), by strik-
20	ing "Except" and inserting "Notwith-
21	standing section 479B of the Higher Edu-
22	eation Act of 1965 (20 U.S.C. 1087uu)
23	and except";
24	(iii) in subparagraph (D)—

1	(I) in clause (viii), by striking
2	"and" after the semicolon;
3	(II) in clause (ix), by striking the
4	period and inserting "; and"; and
5	(III) by adding at the end the
6	following:
7	"(x) English language acquisition and
8	integrated training programs.";
9	(iv) in subparagraph (F)—
10	(I) in clause (ii), by striking "re-
11	ferred to in subsection (c), shall make
12	available—" and all that follows and
13	inserting "shall make available a list
14	of eligible providers of training serv-
15	ices, and accompanying information,
16	in accordance with section 122(d).";
17	(II) in the heading of clause (iii),
18	by striking "Individual Training
19	ACCOUNTS" and inserting "CAREER
20	SCHOLARSHIP ACCOUNTS";
21	(III) in clause (iii)—
22	(aa) by striking "identifying
23	information" and inserting "ac-
24	companying information";

1	(bb) by striking "clause
2	(ii)(I)" and inserting "clause
3	(ii)"; and
4	(ee) by striking "individual
5	training account" and inserting
6	"career scholarship account";
7	and
8	(IV) by adding the following
9	<del>clause after clause (iii):</del>
10	"(iv) COORDINATION.—Each local
11	board may, through one-stop centers, co-
12	ordinate career scholarship accounts with
13	other Federal, State, local, or private job
14	training programs or sources to assist the
15	individual in obtaining training services.";
16	and
17	(v) in subparagraph (G)—
18	(I) in the subparagraph heading,
19	by striking "INDIVIDUAL TRAINING
20	ACCOUNTS" and inserting "CAREER
21	SCHOLARSHIP ACCOUNTS";
22	(II) in clause (i), by striking "in-
23	dividual training accounts" and in-
24	serting "career scholarship accounts";
25	(III) in clause (ii)—

1	(aa) by striking "individual
2	training account" and inserting
3	"career scholarship account";
4	and
5	(bb) in subclause (II), by
6	striking "individual training ac-
7	counts" and inserting "career
8	scholarship accounts";
9	(ce) in subclause (II), by
10	striking "or" after the semicolon;
11	(dd) in subclause (III), by
12	striking the period and inserting
13	'''; or''; and
14	(ee) by adding at the end
15	the following:
16	"(IV) the local board determines
17	that it would be most appropriate to
18	award a contract to an institution of
19	higher education in order to facilitate
20	the training of multiple individuals in
21	high-demand occupations, if such con-
22	tract does not limit customer choice.";
23	and
24	(IV) in clause (iv)—

1	(aa) by redesignating sub-
2	elause (IV) as subclause (V); and
3	(bb) by inserting after sub-
4	clause (III) the following:
5	"(IV) Individuals with disabil-
6	ities.".
7	(3) Permissible activities.—Section 134(e)
8	(29 U.S.C. 2864(e)) is amended—
9	(A) by striking the matter preceding para-
10	graph (2) and inserting the following:
11	"(e) Permissible Local Employment and Train-
12	ING ACTIVITIES.—
13	"(1) IN GENERAL.—
14	"(A) ACTIVITIES.—Funds allocated to a
15	local area for adults under paragraph $(2)(A)$ or
16	(3), as appropriate, of section 133(b), and
17	funds allocated to the local area for dislocated
18	workers under section 133(b)(2)(B), may be
19	used to provide, through the one-stop delivery
20	system involved—
21	"(i) customized screening and referral
22	of qualified participants in training serv-
23	ices described in subsection (d)(4) to em-
24	<del>ployment;</del>

1	"(ii) customized employment-related
2	services to employers on a fee-for-service
3	<del>basis;</del>
4	"(iii) customer support to enable
5	members of hard-to-serve populations, in-
6	eluding individuals with disabilities, to
7	navigate among multiple services and ac-
8	tivities for such populations;
9	"(iv) technical assistance and capacity
10	building for serving individuals with dis-
11	abilities in local areas, and by one-stop op-
12	erators, one-stop partners, and eligible pro-
13	viders, including the development and
14	training of staff, the provision of outreach,
15	intake, assessments, and service delivery,
16	and the development of performance meas-
17	<del>ures;</del>
18	"(v) employment and training assist-
19	ance provided in coordination with child
20	support enforcement activities of the State
21	and local agencies carrying out part D of
22	title IV of the Social Security Act (42
23	U.S.C. 601 et seq.);
24	"(vi) activities to improve coordination
25	between employment and training assist-

1	ance and child support services and assist-
2	ance provided by State and local agencies
3	carrying out part D of title IV of the So-
4	cial Security Act (42 U.S.C. 651 et seq.);
5	"(vii) activities to improve coordina-
6	tion between employment and training as-
7	sistance and cooperative extension pro-
8	grams carried out by the Department of
9	Agriculture;
10	"(viii) activities to facilitate remote
11	access to services provided through a one-
12	stop delivery system, including facilitating
13	access through the use of technology;
14	"(ix) activities—
15	"(I) to improve coordination be-
16	tween workforce investment activities
17	earried out within the local area in-
18	volved and economic development ac-
19	tivities; and
20	"(H) to improve services and
21	linkages between the local workforce
22	investment system including the local
23	one-stop delivery system, and all em-
24	ployers, including small employers in
25	the local area, through services de-

1	scribed under this section, including
2	subparagraph (B);
3	"(x) training programs for displaced
4	homemakers and for individuals training
5	for nontraditional occupations, in conjunc-
6	tion with programs operated in the local
7	area;
8	"(xi) using a portion of the funds allo-
9	eated under section 133(b), activities to
10	carry out business services and strategies
11	that meet the workforce development needs
12	of local area employers, as determined by
13	the local board, consistent with the local
14	plan under section 118, which services—
15	"(I) may be provided through ef-
16	fective business intermediaries work-
17	ing in conjunction with the local
18	board, and may also be provided on a
19	fee for service basis or through the
20	leveraging of economic development
21	and other resources as determined ap-
22	propriate by the local board; and
23	"(II) may include—
24	"(aa) identifying for and
25	disseminating to business, edu-

1	eators, and job seekers, informa-
2	tion related to the workforce, eco-
3	nomic and community develop-
4	ment needs, and opportunities of
5	the local economy;
6	"(bb) development and deliv-
7	ery of innovative workforce in-
8	vestment services and strategies
9	for area businesses, which may
10	include sectoral, industry cluster,
11	regional skills alliances, career
12	ladder, skills upgrading, skill
13	standard development and certifi-
14	eation, apprenticeship, and other
15	effective initiatives for meeting
16	the workforce development needs
17	of area employers and workers;
18	"(ce) participation in semi-
19	nars and classes offered in part-
20	nership with relevant organiza-
21	tions focusing on the workforce-
22	related needs of area employers
23	and job seekers;
24	"(dd) training consulting,
25	needs analysis, and brokering

1	services for area businesses, in-
2	eluding the organization and ag-
3	gregation of training (which may
4	be paid for with funds other than
5	those provided under this title),
6	for individual employers and coa-
7	litions of employers with similar
8	interests, products, or workforce
9	needs;
10	"(ee) assistance to area em-
11	ployers in the aversion of layoffs
12	and in managing reductions in
13	force in coordination with rapid
14	response activities;
15	"(ff) the marketing of busi-
16	ness services offered under this
17	Act, to appropriate area employ-
18	ers, including small and mid-
19	sized employers;
20	"(gg) information referral
21	on concerns affecting local em-
22	<del>ployers;</del> and
23	"(hh) other business services
24	and strategies designed to better
25	engage employers in workforce

1	development activities and to
2	make the workforce investment
3	system more relevant to the
4	workforce development needs of
5	area businesses, as determined by
6	the local board to be consistent
7	with the purposes of this Act
8	and
9	"(xii) activities to adjust the self-suffi-
10	ciency standards for local factors, or activi-
11	ties to adopt, calculate, or commission a
12	self-sufficiency standard that specifies the
13	income needs of families, by family size
14	the number and ages of children in the
15	family, and sub-State geographical consid-
16	erations.
17	"(B) Work support activities for
18	LOW-WAGE WORKERS.
19	"(i) In General.—Funds allocated to
20	a local area for adults under paragraph
21	(2)(A) or (3), as appropriate, of section
22	133(b), and funds allocated to the local
23	area for dislocated workers under section
24	133(b)(2)(B), may be used to provide
25	through the one-stop delivery system in-

1	volved, work support activities designed to
2	assist low-wage workers in retaining and
3	enhancing employment. The one-stop part
4	ners shall coordinate the appropriate pro
5	grams and resources of the partners with
6	the activities and resources provided under
7	this subparagraph.
8	"(ii) ACTIVITIES.—The activities de
9	seribed in clause (i) may include the provi
10	sion of activities described in this section
11	through the one-stop delivery system in a
12	manner that enhances the opportunities of
13	such workers to participate in the activi
14	ties, such as the provision of activities de
15	scribed in this section during nontradi
16	tional hours and the provision of on-site
17	child care while such activities are being
18	provided.";
19	(B) in paragraph (2), by striking the mat
20	ter preceding subparagraph (A) and inserting
21	the following:
22	"(2) Supportive services.—Funds allocated
23	to a local area for adults under paragraph $(2)(A)$ or
24	(3), as appropriate, of section 133(b), and funds al

located to the local area for dislocated workers under

25

1	section 133(b)(2)(B), may be used to provide sup-
2	portive services to adults and dislocated workers, re-
3	spectively—"; and
4	(C) by adding at the end the following:
5	"(4) Incumbert worker training pro-
6	<del>GRAMS.</del>
7	"(A) In GENERAL.—The local board may
8	use up to 10 percent of the funds allocated to
9	the local area involved under section 133(b) to
10	pay for the Federal share of the cost of pro-
11	viding training through an incumbent worker
12	training program carried out in accordance with
13	this paragraph. The Governor or State board
14	may make recommendations to the local board
15	regarding incumbent worker training with
16	statewide impact.
17	"(B) Training activities.—The training
18	program for incumbent workers carried out
19	under this paragraph shall be carried out by the
20	local board in conjunction with the employers or
21	groups of employers of such workers for the
22	purpose of assisting such workers in obtaining
23	the skills necessary to retain employment or
24	avert layoffs.
25	"(C) EMPLOYER SHARE REQUIRED.—

1	"(i) In General.—Employers partici-
2	pating in the program carried out under
3	this paragraph shall be required to pay the
4	non-Federal share of the costs of providing
5	the training to incumbent workers of the
6	employers. The local board shall establish
7	the non-Federal share of such costs, which
8	may include in kind contributions. The
9	non-Federal share shall not be less than—
10	"(I) 10 percent of the costs, for
11	employers with 50 or fewer employees;
12	"(H) 25 percent of the costs, for
13	employers with more than 50 employ-
14	ees but fewer than 100 employees;
15	and
16	"(III) 50 percent of the costs, for
17	employers with 100 or more employ-
18	ees.
19	"(ii) Calculation of employer
20	SHARE.—The non-Federal share paid by
21	such an employer may include the amount
22	of the wages paid by the employer to a
23	worker while the worker is attending a
24	training program under this paragraph.".

## 1 SEC. 122. PERFORMANCE ACCOUNTABILITY SYSTEM.

2	(a) State Performance Measures.—
3	(1) Indicators of Performance.—Section
4	136(b)(2)(A) (29 U.S.C. 2871(b)(2)(A)) is amend-
5	<del>ed</del>
6	(A) in clause (i)—
7	(i) in the matter preceding subclause
8	(I), by striking "and (for participants who
9	are eligible youth age 19 through 21) for
10	youth activities authorized under section
11	<del>129";</del>
12	(ii) by striking subclause (III) and in-
13	serting the following:
14	"(III) increases in earnings from
15	unsubsidized employment; and"; and
16	(iii) in subclause (IV), by striking ",
17	or by participants" and all that follows
18	through "unsubsidized employment"; and
19	(B) by striking clause (ii) and inserting the
20	following:
21	"(ii) Core indicators for eligible
22	YOUTH.—The core indicators of perform-
23	ance for youth activities authorized under
24	section 129 shall consist of—

1	"(I) entry into employment, edu-
2	eation or advanced training, or mili-
3	tary service;
4	"(H) attainment of secondary
5	school diplomas or their recognized
6	equivalents, and postsecondary certifi-
7	eates; and
8	"(III) literacy or numeracy
9	gains.".
10	(2) Additional indicators.—Section
11	136(b)(2)(C) (29 U.S.C. 2871(b)(2)(C)) is amended
12	to read as follows:
13	"(C) Additional indicators.—A State
14	may identify in the State plan additional indica-
15	tors for workforce investment activities under
16	this subtitle, including indicators identified in
17	collaboration with State business and industry
18	associations, with employee representatives
19	where applicable, and with local boards, to
20	measure the performance of the workforce in-
21	vestment system in serving the workforce needs
22	of business and industry in the State.".
23	(3) Levels of Performance.—Section
24	136(b)(3)(A) (29 U.S.C. $2871(b)(3)(A)$ ) is amend-
25	<del>ed</del>

1	(A) in clause (iii)—
2	(i) in the heading, by striking "FOR
3	FIRST 3 YEARS";
4	(ii) by striking "and the customer sat-
5	isfaction indicator of performance, for the
6	first 3" and inserting "described in clauses
7	(i) and (ii) of paragraph (2)(A) and the
8	customer satisfaction indicator of perform-
9	ance, for the first 2"; and
10	(iii) by inserting at the end the fol-
11	lowing: "Agreements on levels of perform-
12	ance for each of the core indicators of per-
13	formance for the third and fourth program
14	years covered by the State plan shall be
15	reached prior to the beginning of the third
16	program year covered by the State plan,
17	and incorporated as a modification to the
18	State plan.";
19	(B) in clause (iv)—
20	(i) in subclause (II)—
21	(I) by striking "taking into ac-
22	count" and inserting "and shall en-
23	sure that the levels involved are ad-
24	justed, using objective statistical
25	methods, based on";

1	(H) by inserting "(such as dif-
2	ferences in unemployment rates and
3	job losses or gains in particular indus-
4	tries)" after "economic conditions";
5	(III) by inserting "(such as indi-
6	eators of poor work history, lack of
7	work experience, educational or occu-
8	pational skills attainment, dislocation
9	from high-wage and benefit employ-
10	ment, low levels of literacy or English
11	proficiency, disability status, home-
12	lessness, and welfare dependency)"
13	after "program"; and
14	(IV) by striking "and" at the
15	end;
16	(ii) in subclause (III), by striking the
17	period and inserting "; and"; and
18	(iii) by adding at the end the fol-
19	lowing:
20	"(IV) the extent to which the lev-
21	els involved will assist the State in
22	meeting the national goals described
23	in elause (v).";
24	(C) by striking clause (v) and inserting the
25	following:

1	"(v) ESTABLISHMENT OF NATIONAL
2	GOALS.—In order to promote enhanced
3	performance outcomes on the performance
4	measures and to facilitate the process of
5	reaching agreements with the States under
6	elause (iii) and to measure systemwide per-
7	formance for the one-stop delivery systems
8	of the States, the Secretary shall establish
9	long-term national goals for the adjusted
10	levels of performance for that systemwide
11	performance to be achieved by the pro-
12	grams assisted under chapters 4 and 5 on
13	the core indicators of performance de-
14	scribed in subparagraphs (A) and (B) of
15	subsection (b)(2). Such goals shall be es-
16	tablished in accordance with the Govern-
17	ment Performance and Results Act of
18	1993 in consultation with the States and
19	other appropriate parties."; and
20	(D) in clause (vi)—
21	(i) by striking "or (v)"; and
22	(ii) by striking "with the representa-
23	tives described in subsection (i)" and in-
24	serting "with the States and other inter-
25	ested parties".

1	(b) Local Performance Measures.—Section
2	136(e)(3) (29 U.S.C. 2871(e)(3))—
3	(1) by striking "shall take into account" and
4	inserting "shall ensure such levels are adjusted
5	based on";
6	(2) by inserting "(characteristics such as unem-
7	ployment rates and job losses or gains in particular
8	industries)" after "economic"; and
9	(3) by inserting "(characteristics such as indi-
10	cators of poor work history, lack of work experience,
11	educational and occupational skills attainment, dis-
12	location from high-wage and benefit employment,
13	low levels of literacy or English proficiency, dis-
14	ability status, homelessness, and welfare depend-
15	ency)" after "demographie".
16	(e) Report.—Section 136(d) (29 U.S.C. 2871(d)) is
17	amended—
18	(1) in paragraph (1), by adding at the end the
19	following: "In the ease of a State or local area that
20	chooses to expend funds under section
21	134(a)(3)(A)(i) or $134(e)(1)(A)(vii)$ , respectively,
22	the report also shall include the amount of such
23	funds so expended and the percentage that such
24	funds are of the funds available under section 134;
25	(2) in paragraph (2)—

1	(A) in subparagraph (E)—
2	(i) by striking "(excluding partici-
3	pants who received only self-service and in-
4	formational activities)"; and
5	(ii) by striking "and" after the semi-
6	<del>colon;</del>
7	(B) in subparagraph (F)—
8	(i) by inserting "noncustodial parents
9	with child support obligations, homeless in-
10	dividuals," after "displaced homemakers,"
11	and
12	(ii) by striking the period and insert-
13	ing a semicolon; and
14	(C) by adding at the end the following:
15	"(G) the number of participants served
16	and the cost per participant; and
17	"(H) the amount of adult and dislocated
18	worker funds spent on—
19	"(i) core, intensive, and training serv-
20	ices, respectively; and
21	"(ii) services provided under section
22	134(a)(3)(A)(i) or $134(e)(1)(A)(iii)$ , if ap-
23	plicable."; and
24	(3) by adding at the end the following:

1	"(4) Data validation.—In preparing the re-
2	ports described in this subsection, the States shall
3	establish procedures, consistent with guidelines
4	issued by the Secretary, to ensure that the informa-
5	tion contained in the reports is valid and reliable.".
6	(d) Sanctions for State. Section 136(g) is
7	amended—
8	(1) in paragraph (1)(B), by striking "If such
9	failure continues for a second consecutive year" and
10	inserting "If a State performs at less than 80 per-
11	cent of the adjusted level of performance for a core
12	indicator of performance described in subsection
13	(b)(2)(A) for 2 consecutive years with respect to the
14	same indicator of performance"; and
15	(2) in paragraph (2), by striking "section 503"
16	and inserting "subsection (i)(1)".
17	(e) Sanctions for Local Area. Section
18	136(h)(2)(A) (29 U.S.C. 2871(h)(2)(A)) is amended—
19	(1) in the matter preceding clause (i), by strik-
20	ing "If such failure continues for a second consecu-
21	tive year" and inserting "If a local area performs at
22	less than 80 percent of the adjusted level of per-
23	formance for a core indicator of performance de-
24	scribed in subsection (b)(2)(A) for 2 consecutive

1	years with respect to the same indicator of perform-
2	ance'';
3	(2) in clause (ii), by striking "or" after the
4	semicolon;
5	(3) by redesignating clause (iii) as clause (iv);
6	and
7	(4) by inserting after clause (ii) the following:
8	"(iii) redesignate the local area in ac-
9	cordance with section 116(a)(2); or".
10	(f) Incentive Grants.—Section 136(i) (29 U.S.C.
11	2871(i)) is amended to read as follows:
12	"(i) INCENTIVE GRANTS FOR STATES AND LOCAL
13	Areas.—
14	"(1) INCENTIVE GRANTS FOR STATES.—
15	"(A) In General.—From funds appro-
16	priated under section 174(b) and made avail-
17	able under subsection $(g)(2)$ , the Secretary may
18	award incentive grants to States for exemplary
19	performance in carrying out programs under
20	chapters 4 and 5.
21	"(B) Basis.—The Secretary shall award
22	the grants on the basis—
23	"(i) of the States meeting or exceed-
24	ing the performance measures established
25	under subsection (b)(3)(A)(iii);

1	"(ii) of exemplary performance of the
2	States in serving hard-to-serve populations
3	(including performance relating to the lev-
4	els of service provided and the performance
5	outcomes on such performance measures
6	with respect to the populations);
7	"(iii) of States that are effectively—
8	"(I) coordinating multiple sys-
9	tems into a more effective workforce
10	development system, including coordi-
11	nation of employment services under
12	the Wagner-Peyser Act and core ac-
13	tivities under this title as well as part-
14	ner programs described in section
15	<del>121;</del>
16	"(II) expanding access to train-
17	ing, including through increased
18	leveraging of resources other than
19	those funded through programs under
20	this title; or
21	"(III) implementing innovative
22	business and economic development
23	initiatives.
24	"(iv) of such other factors relating to
25	the performance of the States under this

1	title as the Secretary determines are ap-
2	<del>propriate.</del>
3	"(C) USE OF FUNDS.—The funds awarded
4	to a State under this paragraph may be used to
5	carry out any activities authorized for States
6	under chapters 4 and 5, title H of this Act, and
7	the Carl D. Perkins Vocational and Technical
8	Education Act of 1998, including demonstra-
9	tion projects and innovative programs for hard-
10	to-serve populations.
11	"(2) INCENTIVE GRANTS FOR LOCAL AREAS.—
12	"(A) IN GENERAL.—From funds reserved
13	under sections 128(a) and 133(a)(1), the Gov-
14	ernor involved shall award incentive grants to
15	local areas for exemplary performance in car-
16	rying out programs under chapters 4 and 5.
17	"(B) Basis.—The Governor shall award
18	the grants on the basis—
19	"(i) that the local areas met or ex-
20	ceeded the performance measures estab-
21	lished under subsection (e)(2) relating to
22	indicators described in subsection
23	$\frac{(b)(3)(A)(iii)}{;}$

1	"(ii) of exemplary performance of the
2	local areas in serving hard-to-serve popu-
3	lations; or
4	"(iii) of States and local areas that
5	are effectively—
6	"(I) coordinating multiple sys-
7	tems into a comprehensive workforce
8	development system, including coordi-
9	nation of employment services under
10	the Wagner-Peyser Act and core ac-
11	tivities under this title as well as part-
12	ner programs described in section
13	<del>121;</del>
14	"(II) expanding access to train-
15	ing, including through increased
16	leveraging of resources other than
17	those funded through programs under
18	this title; or
19	"(III) implementing innovative
20	business and economic development
21	<del>initiatives.</del>
22	"(C) USE OF FUNDS.—The funds awarded
23	to a local area under this paragraph may be
24	used to earry out activities authorized for local
25	areas under chapters 4 and 5, and such dem-

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- 2 hard-to-serve populations as may be approved
- 3 by the Governor.".
- 4 (g) Use of Core Measures in Other Depart-
- 5 MENT OF LABOR PROGRAMS.—Section 136 (29 U.S.C.
- 6 2871) is amended by adding at the end the following:
- 7 "(j) Use of Core Indicators for Other Pro-
- 8 GRAMS.—In addition to the programs carried out under
- 9 chapters 4 and 5, and consistent with the requirements
- 10 of the applicable authorizing laws, the Secretary shall use
- 11 the indicators of performance described in subparagraphs
- 12 (A) and (B) of subsection (b)(2) to assess the effectiveness
- 13 of the programs described in clauses (i), (ii), and (vi) of
- 14 section 121(b)(1)(B) that are carried out by the Sec-
- 15 retary.".
- 16 (h) Previous Definitions of Core Indicators
- 17 AND INCENTIVE GRANTS.—Sections 502 and 503 (29)
- 18 U.S.C. 9272 and 9273) are repealed.
- 19 SEC. 123. AUTHORIZATION OF APPROPRIATIONS.
- 20 (a) Youth Activities.—Section 137(a) (29 U.S.C.
- 21 2872(a)) is amended by striking "such sums as may be
- 22 necessary for each of fiscal years 1999 through 2003" and
- 23 inserting "such sums as may be necessary for each of fis-
- 24 cal years 2004 through 2009".

1	(b) Adult Employment and Training Activi-
2	TIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by
3	striking "such sums as may be necessary for each of fiscal
4	years 1999 through 2003" and inserting "such sums as
5	may be necessary for each of fiscal years 2004 through
6	<del>2009".</del>
7	(c) DISLOCATED WORKER EMPLOYMENT AND
8	Training Activities.—Section 137(e) (29 U.S.C.
9	2872(e)) is amended by striking "such sums as may be
10	necessary for each of fiscal years 1999 through 2003" and
11	inserting "such sums as may be necessary for each of fis-
12	eal years 2004 through 2009".
13	Subtitle C—Job Corps
	Subtitle C—Job Corps SEC. 131. JOB CORPS.
	•
14 15	SEC. 131. JOB CORPS.
14 15	SEC. 131. JOB CORPS.  (a) ELIGIBILITY. Section 144(3) (29 U.S.C.
14 15 16 17	SEC. 131. JOB CORPS.  (a) ELIGIBILITY.—Section 144(3) (29 U.S.C. 2884(3)) is amended by adding at the end the following:
14 15 16 17	SEC. 131. JOB CORPS.  (a) ELIGIBILITY.—Section 144(3) (29 U.S.C.  2884(3)) is amended by adding at the end the following:  "(F) A child eligible for assistance under
14 15 16	SEC. 131. JOB CORPS.  (a) ELIGIBILITY. Section 144(3) (29 U.S.C. 2884(3)) is amended by adding at the end the following:  "(F) A child eligible for assistance under section 477 of the Social Security Act.".
14 15 16 17 18	SEC. 131. JOB CORPS.  (a) ELIGIBILITY.—Section 144(3) (29 U.S.C. 2884(3)) is amended by adding at the end the following:  "(F) A child eligible for assistance under section 477 of the Social Security Act.".  (b) IMPLEMENTATION OF STANDARDS AND PROCE-
14 15 16 17 18 19 20	SEC. 131. JOB CORPS.  (a) ELIGIBILITY. Section 144(3) (29 U.S.C. 2884(3)) is amended by adding at the end the following:  "(F) A child eligible for assistance under section 477 of the Social Security Act.".  (b) IMPLEMENTATION OF STANDARDS AND PROCEDURES. Section 145(a)(3) (29 U.S.C. 2885(a)(3)) is
14 15 16 17 18 19 20	(a) Eligibility.—Section 144(3) (29 U.S.C. 2884(3)) is amended by adding at the end the following:  "(F) A child eligible for assistance under section 477 of the Social Security Act.".  (b) Implementation of Standards and Procedures.—Section 145(a)(3) (29 U.S.C. 2885(a)(3)) is amended—
14 15 16 17 18 19 20 21	SEC. 131. JOB CORPS.  (a) ELIGIBILITY.—Section 144(3) (29 U.S.C. 2884(3)) is amended by adding at the end the following:  "(F) A child eligible for assistance under section 477 of the Social Security Act.".  (b) IMPLEMENTATION OF STANDARDS AND PROCEDURES.—Section 145(a)(3) (29 U.S.C. 2885(a)(3)) is amended—  (1) in subparagraph (B), by striking "and"

1	(3) by adding at the end the following:
2	"(D) child welfare agencies that are re-
3	sponsible for children in foster care and chil-
4	dren eligible for assistance under section 477 of
5	the Social Security Act.".
6	(e) Industry Councils.—Section 154(b) (29
7	U.S.C. 2894(b)) is amended—
8	(1) in paragraph (1)(A), by striking "local and
9	distant"; and
10	(2) by adding at the end the following:
11	"(3) Employers outside of local area.—
12	The industry council may include, or otherwise pro-
13	vide for consultation with, employers from outside
14	the local area who are likely to hire a significant
15	number of enrollees from the Job Corps center.
16	"(4) Special rule for single local area
17	STATES.—In the case of a single local area State
18	designated under section 116(b), the industry coun-
19	eil shall include a representative of the State
20	Board.".
21	(d) Indicators of Performance.—Section 159
22	(29 U.S.C. 2983) is amended—
23	(1) in subsection (c)—
24	(A) by striking paragraph (1) and insert-
25	ing the following:

1	"(1) Performance indicators.—The Sec-
2	retary shall annually establish expected levels of per-
3	formance for Job Corps centers and the Job Corps
4	program relating to each of the core indicators of
5	performance for youth activities identified in section
6	136(b)(2)(A)(ii).";
7	(B) in paragraph (2), by striking "meas-
8	ures" each place it appears and inserting "indi-
9	cators"; and
10	(C) in paragraph (3)—
11	(i) in the first sentence, by striking
12	"core performance measures, as compared
13	to the expected performance level for each
14	performance measure" and inserting "per-
15	formance indicators described in paragraph
16	(1), as compared to the expected level of
17	performance established under paragraph
18	(1) for each performance measure"; and
19	(ii) in the second sentence, by striking
20	"measures" each place it appears and in-
21	serting "indicators"; and
22	(2) in subsection $(f)(2)$ , in the first sentence, by
23	striking "core performance measures" and inserting
24	"indicators of performance".

1	(e) AUTHORIZATION OF APPROPRIATIONS.—Section
2	161 (29 U.S.C. 2901) is amended by striking "1999
3	through 2003" and inserting "2004 through 2009".
4	Subtitle D—National Programs
5	SEC. 141. NATIVE AMERICAN PROGRAMS.
6	(a) Advisory Council.—Section 166(h)(4)(C) (29
7	U.S.C. 2911(h)(4)(C)) is amended to read as follows:
8	"(C) Duties.—The Council shall advise
9	the Secretary on the operation and administra-
10	tion of the programs assisted under this sec-
11	tion, including the selection of the individual
12	appointed as head of the unit established under
13	paragraph (1).".
14	(b) Assistance to Unique Native Populations
15	IN ALASKA AND HAWAII. Section 166(j) (29 U.S.C.
16	2911(j)) is amended to read as follows:
17	"(j) Assistance to Unique Native Populations
18	IN ALASKA AND HAWAH.—
19	"(1) In General.—Notwithstanding any other
20	provision of law, the Secretary is authorized to pro-
21	vide assistance to unique native populations who re-
22	side in Alaska or Hawaii to improve job training and
23	workforce investment activities.
24	"(2) Authorization of appropriations.
25	There are authorized to be appropriated to carry out

1	this subsection such sums as may be necessary for
2	fiscal year 2004.".
3	(c) Performance Indicators.—Section 166 (29)
4	U.S.C. 2911 is amended by adding at the end the fol-
5	lowing:
6	"(c) Performance Indicators.—
7	"(1) DEVELOPMENT OF INDICATORS.—The
8	Secretary, in consultation with the Native American
9	Employment and Training Council, shall develop a
10	set of performance indicators and standards which
11	shall be applicable to programs under this section.
12	"(2) Special considerations.—Such per-
13	formance indicators and standards shall take into
14	account—
15	"(A) the purposes of the programs under
16	this section as described in paragraph $(a)(1)$ ;
17	"(B) the needs of the groups served by this
18	section, including the differences in needs
19	among such groups in various geographic serv-
20	ice areas; and
21	"(C) the economic eircumstances of the
22	communities served, including differences in cir-
23	cumstances among various geographic service
24	areas.''

1	SEC. 142. MIGRANT AND SEASONAL FARMWORKER PRO-
2	GRAMS.
3	Section 167(d) (29 U.S.C. 2912(d)) is amended by
4	inserting "(including permanent housing)" after "hous-
5	<del>ing''.</del>
6	SEC. 143. VETERANS' WORKFORCE INVESTMENT PRO-
7	GRAMS.
8	Section $168(a)(3)(C)$ (29 U.S.C. $2913(a)(3)(C)$ ) is
9	amended by striking "section 134(c)" and inserting "sec-
10	tion 121(e)".
11	SEC. 144. YOUTH CHALLENGE GRANTS.
12	Section 169 (29 U.S.C. 2914) is amended to read as
13	follows:
14	"SEC. 169. YOUTH CHALLENGE GRANTS.
15	"(a) In General.—Of the amounts reserved by the
16	Secretary under section $127(a)(1)(A)$ for a fiscal year—
17	"(1) the Secretary shall use not less than $80$
18	percent to award competitive grants under sub-
19	section (b); and
20	"(2) the Secretary may use not more than 20
21	percent to award discretionary grants under sub-
22	section (e).
23	"(b) Competitive Grants to States and Local
24	Areas.—
25	"(1) ESTABLISHMENT.—From the funds de-
26	scribed in subsection (a)(1), the Secretary shall

1	award competitive grants to eligible entities to carry
2	out activities authorized under this subsection to as-
3	sist eligible youth in acquiring the skills, eredentials,
4	and employment experience necessary to achieve the
5	performance outcomes for youth described in section
6	<del>136.</del>
7	"(2) ELIGIBLE ENTITY.—In this subsection, the
8	term 'eligible entity' means—
9	"(A) a State or consortium of States;
10	"(B) a local board or consortium of local
11	boards;
12	"(C) a recipient of a grant under section
13	166 (relating to Native American programs); or
14	"(D) a public or private entity (including
15	a consortium of such entities) with expertise in
16	the provision of youth activities, applying in
17	partnership with a local board or consortium of
18	<del>local boards.</del>
19	"(3) Applications.—To be eligible to receive a
20	grant under this subsection, an eligible entity shall
21	submit an application to the Secretary at such time,
22	in such manner, and containing such information as
23	the Secretary may require, including—
24	"(A) a description of the activities the eli-
25	gible entity will provide to eligible youth under

1	this subsection, and how the eligible entity will
2	collaborate with State and local workforce in-
3	vestments systems established under this title
4	in the provision of such activities;
5	"(B) a description of the programs of dem-
6	onstrated effectiveness on which the provision
7	of the activities under subparagraph (A) are
8	based, and a description of how such activities
9	will expand the base of knowledge relating to
10	the provision of activities for youth;
11	"(C) a description of the State, local, and
12	private resources that will be leveraged to pro-
13	vide the activities described under subparagraph
14	(A) in addition to funds provided under this
15	subsection, and a description of the extent of
16	the involvement of employers in the activities;
17	"(D) the levels of performance the eligible
18	entity expects to achieve with respect to the in-
19	dicators of performance for youth specified in
20	section $136(b)(2)(A)(ii)$ ; and
21	"(E) an assurance that the State board of
22	each State in which the proposed activities are
23	to be carried out had the opportunity to review
24	the application, and including the comments, if

any, of the affected State boards on the appli-

25

1	eation, except that this subparagraph shall not
2	apply to an eligible entity described in para-
3	$\frac{\text{graph }(2)(C).}{}$
4	"(4) Factors for award.—
5	"(A) In General.—In awarding grants
6	under this subsection the Secretary shall con-
7	sider—
8	"(i) the quality of the proposed activi-
9	<del>ties;</del>
10	"(ii) the goals to be achieved;
11	"(iii) the likelihood of successful im-
12	plementation;
13	"(iv) the extent to which the proposed
14	activities are based on proven strategies or
15	the extent to which the proposed activities
16	will expand the base of knowledge relating
17	to the provision of activities for youth;
18	"(v) the extent of collaboration with
19	the State and local workforce investment
20	systems in carrying out the proposed ac-
21	tivities;
22	"(vi) the extent of employer involve-
23	ment in the proposed activities;
24	"(vii) whether there are other Federal
25	and non-Federal funds available for similar

1	activities to the proposed activities, and the
2	additional State, local, and private re-
3	sources that will be provided to carry out
4	the proposed activities; and
5	"(viii) the quality of proposed activi-
6	ties in meeting the needs of the youth to
7	be served.
8	"(B) EQUITABLE GEOGRAPHIC DISTRIBU-
9	TION.—In awarding grants under this sub-
10	section the Secretary shall ensure an equitable
11	distribution of such grants across geographi-
12	cally diverse areas.
13	"(5) USE OF FUNDS.—
14	"(A) In General.—An eligible entity that
15	receives a grant under this subsection shall use
16	the grant funds to carry out activities that are
17	designed to assist youth in acquiring the skills,
18	eredentials, and employment experience that are
19	necessary to succeed in the labor market, in-
20	cluding the activities identified in section 129.
21	"(B) ACTIVITIES.—The activities carried
22	out pursuant to subparagraph (A) may include
23	the following:
24	"(i) Training and internships for out-
25	of-school vouth in sectors of the economy

1	experiencing, or projected to experience,
2	high growth.
3	"(ii) Dropout prevention activities for
4	in-school youth.
5	"(iii) Activities designed to assist spe-
6	cial youth populations, such as court-in-
7	volved youth and youth with disabilities.
8	"(iv) Activities combining remediation
9	of academic skills, work readiness training,
10	and work experience, and including link-
11	ages to postsecondary education, appren-
12	ticeships, and eareer-ladder employment.
13	"(v) Activities, including work experi-
14	ence, paid internships, and entrepreneurial
15	training, in areas where there is a migra-
16	tion of youth out of the areas.
17	"(C) PARTICIPANT ELIGIBILITY.—Youth
18	who are 14 years of age through 21 years of
19	age, as of the time the eligibility determination
20	is made, may be eligible to participate in activi-
21	ties carried out under this subsection.
22	"(6) Grant Period.—The Secretary shall
23	make a grant under this subsection for a period of
24	2 years and may renew the grant, if the cligible enti-

ty has performed successfully, for a period of not
 more than 3 succeeding years.

"(7) MATCHING FUNDS REQUIRED.—The Secretary shall require that an eligible entity that receives a grant under this subsection provide non-Federal matching funds in an amount to be determined by the Secretary that is not less than 10 percent of the cost of activities carried out under the grant. The Secretary may require that such non-Federal matching funds be provided in eash resources, noneash resources, or a combination of eash and noneash resources.

"(8) EVALUATION.—The Secretary shall reserve not more than 3 percent of the funds described in subsection (a)(1) to provide technical assistance to, and conduct evaluations of (using appropriate techniques as described in section 172(e)), the projects funded under this subsection.

19 "(c) Discretionary Grants for Youth Activi-

20 <del>TIES.</del>

"(1) IN GENERAL.—From the funds described in subsection (a)(2), the Secretary may award grants to eligible entities to provide activities that will assist youth in preparing for, and entering and retaining, employment.

1	"(2) ELIGIBLE ENTITY.—In this subsection, the
2	term 'eligible entity' means a public or private entity
3	that the Secretary determines would effectively earry
4	out activities relating to youth under this subsection.
5	"(3) Equitable distribution to rural
6	AREAS.—In awarding grants under this subsection
7	the Secretary shall ensure an equitable distribution
8	of such grants to rural areas.
9	"(4) APPLICATIONS.—To be eligible to receive a
10	grant under this subsection, an eligible entity shall
11	submit an application to the Secretary at such time,
12	in such manner, and containing such information as
13	the Secretary may require.
14	"(5) Use of funds.—
15	"(A) IN GENERAL.—An eligible entity that
16	receives a grant under this subsection shall use
17	the grant funds to carry out—
18	"(i) activities that will assist youth in
19	preparing for, and entering and retaining,
20	employment, including the activities de-
21	scribed in section 129 for out-of-school
22	<del>youth;</del>
23	"(ii) activities designed to assist in-
24	school youth to stay in school and gain
25	work experience;

1	"(iii) activities designed to assist
2	youth in economically distressed areas; and
3	"(iv) such other activities that the
4	Secretary determines are appropriate to
5	ensure that youth entering the workforce
6	have the skills needed by employers.
7	"(B) PARTICIPANT ELIGIBILITY.—Youth
8	who are 14 years of age through 21 years of
9	age, as of the time the eligibility determination
10	is made, may be eligible to participate in activi-
11	ties earried out under this subsection.
12	"(6) MATCHING FUNDS REQUIRED.—The Sec-
13	retary shall require that an eligible entity that re-
14	ceives a grant under this subsection provide non-
15	Federal matching funds in an amount to be deter-
16	mined by the Secretary that is not less than 10 per-
17	cent of the cost of activities carried out under the
18	grant. The Secretary may require that such non-
19	Federal matching funds be provided in eash re-
20	sources, noncash resources, or a combination of eash
21	and noncash resources.
22	"(7) EVALUATIONS.—The Secretary may re-
23	quire that an eligible entity that receives a grant
24	under this subsection participate in an evaluation of

activities carried out under this subsection, including

25

1	an evaluation using the techniques described in sec-
2	tion 172(e).".
3	SEC. 145. TECHNICAL ASSISTANCE.
4	Section 170 (29 U.S.C. 2915) is amended—
5	(1) in subsection $(a)(1)$ , by—
6	(A) inserting "the training of staff pro-
7	viding rapid response services, the training of
8	other staff of recipients of funds under this
9	title, the training of members of State boards
10	and local boards, peer review activities under
11	this title," after "localities,"; and
12	(B) striking "from carrying out activities"
13	and all that follows through the period and in-
14	serting "to implement the amendments made by
15	the Workforce Investment Act Amendments of
16	<del>2003.";</del>
17	(2) in subsection $(a)(2)$ , by adding at the end
18	the following: "The Secretary shall also hire staff
19	qualified to provide the assistance described in para-
20	<del>graph (1).";</del>
21	(3) in subsection $(b)(2)$ , by striking the last
22	sentence and inserting "Such projects shall be ad-
23	ministered by the Employment and Training Admin-
24	istration."; and
25	(4) by adding at the end the following:

1	"(e) Best Practices Coordination.—The Sec-
2	retary shall—
3	"(1) establish a system through which States
4	may share information regarding best practices with
5	regard to the operation of workforce investment ac-
6	tivities under this Act;
7	"(2) evaluate and disseminate information re-
8	garding best practices and identify knowledge gaps;
9	and
10	"(3) commission research under section 172 to
11	address knowledge gaps identified under paragraph
12	$\frac{(2)}{}$ .
13	SEC. 146. DEMONSTRATION, PILOT, MULTISERVICE, RE-
13 14	SEC. 146. DEMONSTRATION, PILOT, MULTISERVICE, RE- SEARCH, AND MULTISTATE PROJECTS.
14	SEARCH, AND MULTISTATE PROJECTS.
14 15	SEARCH, AND MULTISTATE PROJECTS.  (a) DEMONSTRATION AND PILOT PROJECTS.—Sec-
14 15 16	SEARCH, AND MULTISTATE PROJECTS.  (a) DEMONSTRATION AND PILOT PROJECTS.—Section 171(b) (29 U.S.C. 2916(b)) is amended—
14 15 16 17	SEARCH, AND MULTISTATE PROJECTS.  (a) Demonstration and Pilot Projects.—Section 171(b) (29 U.S.C. 2916(b)) is amended—  (1) in paragraph (1)—
14 15 16 17	SEARCH, AND MULTISTATE PROJECTS.  (a) DEMONSTRATION AND PILOT PROJECTS.—Section 171(b) (29 U.S.C. 2916(b)) is amended—  (1) in paragraph (1)—  (A) by striking "Under a" and inserting
114 115 116 117 118	SEARCH, AND MULTISTATE PROJECTS.  (a) DEMONSTRATION AND PILOT PROJECTS.—Section 171(b) (29 U.S.C. 2916(b)) is amended—  (1) in paragraph (1)—  (A) by striking "Under a" and inserting "Consistent with the priorities specified in the";
14 15 16 17 18 19 20	SEARCH, AND MULTISTATE PROJECTS.  (a) DEMONSTRATION AND PILOT PROJECTS.—Section 171(b) (29 U.S.C. 2916(b)) is amended—  (1) in paragraph (1)—  (A) by striking "Under a" and inserting "Consistent with the priorities specified in the";  (B) by striking subparagraphs (A) through
14 15 16 17 18 19 20 21	SEARCH, AND MULTISTATE PROJECTS.  (a) DEMONSTRATION AND PILOT PROJECTS.—Section 171(b) (29 U.S.C. 2916(b)) is amended—  (1) in paragraph (1)—  (A) by striking "Under a" and inserting "Consistent with the priorities specified in the";  (B) by striking subparagraphs (A) through (E) and inserting the following:
14 15 16 17 18 19 20 21	SEARCH, AND MULTISTATE PROJECTS.  (a) DEMONSTRATION AND PILOT PROJECTS.—Section 171(b) (29 U.S.C. 2916(b)) is amended—  (1) in paragraph (1)—  (A) by striking "Under a" and inserting "Consistent with the priorities specified in the";  (B) by striking subparagraphs (A) through (E) and inserting the following:  "(A) projects that assist national employ-

needed workers for eareer ladder jobs and to provide information to such system on skills and occupations in demand;

"(B) projects that promote the development of systems that will improve the maximum effectiveness of programs carried out under this title:

"(C) projects that focus on opportunities for employment in industries and sectors of industries that are experiencing, or are likely to experience, high rates of growth and jobs with wages leading to self-sufficiency;

"(D) projects that establish and implement innovative integrated systems training programs targeted to dislocated, disadvantaged incumbent workers that utilize equipment and curriculum designed in partnership with local, regional, or national industries that is computerized, individualized, self-paced, and interactive that delivers skills and proficiencies that are measurable to train workers for employment in the operations, repair, and maintenance of high-tech equipment that is used in integrated systems technology;

1	"(E) projects carried out by States and
2	local areas to test innovative approaches to de-
3	livering employment-related services;";
4	(C) in subparagraph (G), by striking
5	"and" after the semicolon; and
6	(D) by striking subparagraph (H) and in-
7	serting the following:
8	"(H) projects that provide retention grants
9	to qualified job training programs upon place-
10	ment or retention of a low-income individual
11	trained by the program in employment with a
12	single employer for a period of 1 year, if such
13	employment provides the low-income individual
14	with an annual salary that is not less than
15	twice the poverty line applicable to the indi-
16	vidual;
17	"(I) targeted innovation projects that im-
18	prove access to and delivery of employment and
19	training services, with emphasis given to
20	projects that incorporate advanced technologies
21	to facilitate the connection of individuals to the
22	information and tools they need to upgrade
23	skills; and
24	"(J) projects that promote the use of dis-
25	tance learning, enabling students to take

1	courses through the use of media technology
2	such as videos, teleconferencing computers, and
3	the Internet."; and
4	(2) in paragraph (2)—
5	(A) by striking subparagraph (B); and
6	(B) by redesignating subparagraph (C) as
7	subparagraph (B).
8	(b) Multiservice Projects.—Section
9	171(e)(2)(B) (29 U.S.C. 2916(e)(2)(B)) is amended to
10	read as follows:
11	"(B) STUDIES AND REPORTS.—
12	"(i) NET IMPACT STUDIES AND RE-
13	<del>PORTS.—</del>
14	"(I) IN GENERAL.—The Sec-
15	retary shall conduct studies to deter-
16	mine the net impacts of programs,
17	services, and activities carried out
18	under this title.
19	"(H) Reports.—The Secretary
20	shall prepare and disseminate to the
21	public reports containing the results
22	of the studies conducted under sub-
23	elause (I).
24	"(ii) STUDY ON RESOURCES AVAIL-
25	ABLE TO ASSIST OUT-OF-SCHOOL

1	YOUTH.—The Secretary, in coordination
2	with the Secretary of Education, may con-
3	duct a study examining the resources avail-
4	able at the Federal, State, and local levels
5	to assist out-of-school youth in obtaining
6	the skills, eredentials, and work experience
7	necessary to become successfully employed,
8	including the availability of funds provided
9	through average daily attendance and
10	other methodologies used by States and
11	local areas to distribute funds.
12	"(iii) Study of industry-based
13	CERTIFICATION AND CREDENTIALS.—
14	"(I) IN GENERAL.—The Sec-
15	retary shall conduct a study con-
16	cerning the role and benefits of
17	eredentialing and certification to busi-
18	nesses and workers in the economy
19	and the implications of certification to
20	the services provided through the
21	workforce investment system. The
22	study may examine issues such as—
23	"(aa) the characteristics of
24	successful eredentialing and cer-

1	tification systems that serve busi-
2	ness and individual needs;
3	"(bb) the relative propor-
4	tions of certificates and creden-
5	tials attained with assistance
6	from the public sector, with pri-
7	vate-sector training of new hires
8	or incumbent workers, and by in-
9	dividuals on their own initiative
10	without other assistance, respec-
11	tively;
12	"(ce) the return on human
13	capital investments from occupa-
14	tional credentials and industry-
15	based skill certifications, includ-
16	ing the extent to which acquisi-
17	tion of such eredentials or certifi-
18	cates enhances outcomes such as
19	entry into employment, retention,
20	earnings (including the number
21	and amount of wage increases),
22	career advancement, and layoff
23	aversion;
24	"(dd) the implications of the
25	effects of skill certifications and

eredentials to the types and deliv-
ery of services provided through
the workforce investment system;
"(ee) the role that Federal
and State governments play in
fostering the development of and
disseminating eredentials and
skill standards; and
"(ff) the use of eredentials
by businesses to achieve goals for
workforce skill upgrading and
greater operating efficiency.
"(H) REPORT TO CONGRESS.—
The Secretary shall prepare and sub-
mit to Congress a report containing
the results of the study conducted
pursuant to subclause (I). Such report
3 may include any recommendations
that the Secretary determines are ap-
propriate to include in such report re-
lating to promoting the acquisition of
industry-based certification and cre-
dentials, and the appropriate role of
the Department of Labor and the
workforce investment system in sup-

1	porting the needs of business and in-
2	dividuals with respect to such certifi-
3	cation and credentials.
4	"(iv) Study of effectiveness of
5	WORKFORCE INVESTMENT SYSTEM IN
6	MEETING BUSINESS NEEDS.
7	"(I) In General.—Using funds
8	available to earry out this section
9	jointly with funds available to the Sec-
10	retary of Commerce and Adminis-
11	trator of the Small Business Adminis-
12	tration, the Secretary, in coordination
13	with the Secretary of Commerce and
14	the Administrator of the Small Busi-
15	ness Administration, may conduct a
16	study of the effectiveness of the work-
17	force investment system in meeting
18	the needs of business, with particular
19	attention to the needs of small busi-
20	ness, including in assisting workers to
21	obtain the skills needed to utilize
22	emerging technologies. In conducting
23	the study, the Secretary, in coordina-
24	tion with the Secretary of Commerce
25	and the Administrator of the Small

1	Business Administration, may exam-
2	ine issues such as—
3	<del>"(aa)</del> methods for identi-
4	fying the workforce needs of
5	businesses and how the require-
6	ments of small businesses may
7	differ from larger establishments;
8	"(bb) business satisfaction
9	with the workforce investment
10	system, with particular emphasis
11	on the satisfaction of small busi-
12	nesses;
13	"(ee) the extent to which
14	business is engaged as a collabo-
15	rative partner in the workforce
16	investment system, including the
17	extent of business involvement as
18	members of State boards and
19	local boards, and the extent to
20	which such boards and one-stop
21	centers effectively collaborate
22	with business and industry lead-
23	ers in developing workforce in-
24	vestment strategies, including

1	strategies to identify high growth
2	opportunities;
3	"(dd) ways in which the
4	workforce investment system ad-
5	dresses changing skill needs of
6	business that result from changes
7	in technology and work processes;
8	"(ee) promising practices for
9	serving small businesses;
10	"(ff) the extent and manner
11	in which the workforce invest-
12	ment system uses technology to
13	serve business and individual
14	needs, and how uses of tech-
15	nology could enhance efficiency
16	and effectiveness in providing
17	services; and
18	"(gg) the extent to which
19	various segments of the labor
20	force have access to and utilize
21	technology to locate job openings
22	and apply for jobs, and charac-
23	teristics of individuals utilizing
24	such technology (such as age,
25	gender, race or ethnicity, indus-

1	try sector, and occupational
2	<del>groups).</del>
3	"(H) REPORT TO CONGRESS.—
4	The Secretary shall prepare and sub-
5	mit to Congress a report containing
6	the results of the study described in
7	clause (I). Such report may include
8	any recommendations the Secretary
9	determines are appropriate to include
10	in such report, including ways to en-
11	hance the effectiveness of the work-
12	force investment system in meeting
13	the needs of business for skilled work-
14	ers. ''.
15	(c) Conforming Amendment.—Section 171(d) (29
16	U.S.C. 2916(d)) is amended by striking the last sentence.
17	(d) Waiver Authority To Carry Out Dem-
18	ONSTRATIONS AND EVALUATIONS. Section 171 (29)
19	U.S.C. 2916) is amended by adding at the end the fol-
20	lowing:
21	"(d) Waiver Authority. In carrying out dem-
22	onstration, pilot, multiservice, research, and multistate
23	projects under this section and evaluations under section
24	172, the Secretary may waive any provisions of this sec-
25	tion that the Secretary determines would prevent the Sec-

1	retary from earrying out such projects and evaluations,
2	except for provisions relating to wage and labor standards
3	${\color{red} \textbf{such as nondisplacement protections, grievance procedures}}$
4	and judicial review, and nondiscrimination provisions.".
5	(e) Next Generation Technologies.—Section
6	171 (29 U.S.C. 2916) is amended further by adding at
7	the end the following:
8	"(e) Skill Certification Pilot Projects.—
9	"(1) PILOT PROJECTS.—In accordance with
10	subsection (b) and from funds appropriated pursu-
11	ant to paragraph (10), the Secretary of Labor shall
12	establish and carry out not more than 10 pilot
13	projects to establish a system of industry-validated
14	national certifications of skills, including—
15	$"(\Lambda)$ not more than 8 national certifi-
16	cations of skills in high-technology industries,
17	including biotechnology, telecommunications,
18	highly automated manufacturing (including
19	semiconductors), nanotechnology, and energy
20	technology; and
21	"(B) not more than 2 cross-disciplinary
22	national certifications of skills in homeland se-
23	curity technology.
24	"(2) Grants to eligible entities.—In car-
25	rying out the pilot projects, the Secretary of Labor

1	shall make grants to eligible entities, for periods of
2	not less than 36 months and not more than 48
3	months, to carry out the authorized activities de-
4	scribed in paragraph (7) with respect to the certifi-
5	cations described in paragraph (1). In awarding
6	grants under this subsection the Secretary of Labor
7	shall take into consideration awarding grants to eli-
8	gible entities from diverse geographic areas, includ-
9	<del>ing rural areas.</del>
10	"(3) Eligible entities.—
11	"(A) DEFINITION OF ELIGIBLE ENTITY.—
12	In this subsection the term 'eligible entity'
13	means an entity that shall work in conjunction
14	with a local board and shall include as a prin-
15	cipal participant one or more of the following
16	"(i) A community college or consor-
17	tium of community colleges.
18	"(ii) An advanced technology edu-
19	eation center.
20	"(iii) A local workforce investment
21	<del>board.</del>
22	"(iv) A representative of a business in
23	a target industry for the certification in-
24	<del>volved.</del>

1	"(v) A representative of an industry
2	association, labor organization, or commu-
3	nity development organization.
4	"(B) HISTORY OF DEMONSTRATED CAPA-
5	BILITY REQUIRED.—To be eligible to receive a
6	grant under this subsection, an eligible entity
7	shall have a history of demonstrated capability
8	for effective collaboration with industry on
9	workforce development activities that is con-
10	sistent with the goals of this Act.
11	"(4) APPLICATIONS.—To be eligible to receive a
12	grant under this subsection, an eligible entity shall
13	submit an application to the Secretary of Labor at
14	such time, in such manner, and containing such in-
15	formation as the Secretary may require.
16	"(5) Criteria.—The Secretary of Labor shall
17	establish eriteria, consistent with paragraph (6), for
18	awarding grants under this subsection.
19	"(6) Priority.—In selecting eligible entities to
20	receive grants under this subsection, the Secretary
21	of Labor shall give priority to eligible entities that
22	demonstrate the availability of and ability to provide
23	matching funds from industry or nonprofit sources.
24	Such matching funds may be provided in eash or in

<del>kind.</del>

25

1	"(7) AUTHORIZED ACTIVITIES.—
2	"(A) In General.—An eligible entity that
3	receives a grant under this subsection shall use
4	the funds made available through the grant—
5	"(i) to facilitate the establishment of
6	certification requirements for a certifi-
7	cation described in paragraph (1) for an
8	industry;
9	"(ii) to develop and initiate a certifi-
10	cation program that includes preparatory
11	courses, course materials, procedures, and
12	examinations, for the certification; and
13	"(iii) to collect and analyze data re-
14	lated to the program at the program's
15	completion, and to identify best practices
16	(consistent with paragraph (8)) that may
17	be used by local and State workforce in-
18	vestment boards in the future.
19	"(B) Basis for requirements.—The
20	certification requirements shall be based on ap-
21	plicable skill standards for the industry involved
22	that have been developed by or linked to na-
23	tional centers of excellence under the National
24	Science Foundation's Advanced Technological
25	Education Program. The requirements shall re-

1	quire an individual to demonstrate an identifi-
2	able set of competencies relevant to the industry
3	in order to receive certification. The require-
4	ments shall be designed to provide evidence of
5	a transferable skill set that allows flexibility and
6	mobility of workers within a high technology in-
7	dustry.
8	"(C) RELATIONSHIP TO TRAINING AND
9	EDUCATION PROGRAMS.—The eligible entity
10	shall ensure that—
11	"(i) a training and education program
12	related to competencies for the industry in-
13	volved, that is flexible in mode and time-
14	frame for delivery and that meets the
15	needs of those seeking the certification, is
16	offered; and
17	"(ii) the certification program is of-
18	fered at the completion of the training and
19	education program.
20	"(D) RELATIONSHIP TO THE ASSOCIATE
21	DEGREE.—The eligible entity shall ensure that
22	the certification program is consistent with the
23	requirements for a 2-year associate degree.
24	"(E) AVAILABILITY.—The eligible entity
25	shall ensure that the certification program is

1	open to students pursuing associate degrees,
2	employed workers, and displaced workers.
3	"(8) Consultation.—The Secretary of Labor
4	shall consult with the Director of the National
5	Science Foundation to ensure that the pilot projects
6	build on the expertise and information about best
7	practices gained through the implementation of the
8	National Science Foundation's Advanced Techno-
9	logical Education Program.
10	"(9) Core components; guidelines; re-
11	PORTS.—After collecting and analyzing the data ob-
12	tained from the pilot programs, the Secretary of
13	<del>Labor shall—</del>
14	"(A) establish the core components of a
15	model high-technology certification program;
16	"(B) establish guidelines to assure develop-
17	ment of a uniform set of standards and policies
18	for such programs;
19	"(C) submit and prepare a report on the
20	pilot projects to the Committee on Health, Edu-
21	eation, Labor, and Pensions of the Senate and
22	the Committee on Education and the Workforce
23	of the House of Representatives; and
24	"(D) make available to the public both the
25	data and the report.

1	"(10) AUTHORIZATION OF APPROPRIATIONS.—
2	In addition to amounts authorized to be appro-
3	priated under section 174(b), there is authorized to
4	be appropriated \$30,000,000 for fiscal year 2004 to
5	carry out this subsection.".
6	(f) Integrated Workforce Training Programs
7	FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—
8	Section 171 (29 U.S.C. 2916) is amended further by add-
9	ing at the end the following:
10	"(f) Integrated Workforce Training Programs
11	FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—
12	"(1) Definitions.—In this subsection:
13	"(A) INTEGRATED WORKFORCE TRAIN-
14	ING.—The term 'integrated workforce training'
15	means training that integrates occupational
16	skills training with language acquisition.
17	"(B) Secretary.—The term 'Secretary'
18	means the Secretary of Labor in consultation
19	with the Secretary of Education.
20	"(2) Demonstration Project.—In accord-
21	ance with subsection (b) and from funds appro-
22	priated pursuant to paragraph (11), the Secretary
23	shall establish and implement a national demonstra-
24	tion project designed to both analyze and provide
25	data on workforce training programs that integrate

1	English language acquisition and occupational train-
2	<del>ing.</del>
3	"(3) Grants.—
4	"(A) In General.—In carrying out the
5	demonstration project, the Secretary shall make
6	not less than 10 grants, on a competitive basis
7	to eligible entities to provide the integrated
8	workforce training programs. In awarding
9	grants under this subsection the Secretary shall
10	take into consideration awarding grants to eligi-
11	ble entities from diverse geographic areas, in-
12	eluding rural areas.
13	"(B) Periods.—The Secretary shall make
14	the grants for periods of not less than 24
15	months and not more than 48 months.
16	"(4) Eligible entities.—
17	"(A) In GENERAL.—To be eligible to re-
18	ceive a grant under this subsection, an eligible
19	entity shall work in conjunction with a local
20	board and shall include as a principal partici-
21	pant one or more of the following:
22	"(i) An employer or employer associa-
23	tion.
24	"(ii) A nonprofit provider of English
25	language instruction.

1	"(iii) A provider of occupational or
2	skills training.
3	"(iv) A community-based organiza-
4	<del>tion.</del>
5	"(v) An educational institution, in-
6	eluding a 2- or 4-year college, or a tech-
7	nical or vocational school.
8	"(vi) A labor organization.
9	"(vii) A local board.
10	"(B) Expertise.—To be eligible to re-
11	ceive a grant under this subsection, an eligible
12	entity shall have proven expertise in—
13	"(i) serving individuals with limited
14	English proficiency, including individuals
15	with lower levels of oral and written
16	English; and
17	"(ii) providing workforce programs
18	with training and English language in-
19	struction.
20	"(5) Applications.—
21	"(A) IN GENERAL.—To be eligible to re-
22	ceive a grant under this subsection, an eligible
23	entity shall submit an application to the Sec-
24	retary at such time, in such manner, and con-

1	taining such information as the Secretary may
2	require.
3	"(B) Contents.—Each application sub-
4	mitted under subparagraph (A) shall—
5	"(i) contain information, including ea-
6	pability statements, that demonstrates that
7	the eligible entity has the expertise de-
8	scribed in paragraph (4)(B); and
9	"(ii) include an assurance that the
10	program to be assisted shall—
11	"(I) establish a generalized adult
12	bilingual workforce training and edu-
13	cation model that integrates English
14	language acquisition and occupational
15	training, and incorporates the unique
16	linguistic and cultural factors of the
17	participants;
18	"(H) establish a framework by
19	which the employer, employee, and
20	other relevant members of the eligible
21	entity can create a career development
22	and training plan that assists both the
23	employer and the employee to meet
24	their long-term needs;

1	"(III) ensure that this framework
2	takes into consideration the knowl-
3	edge, skills, and abilities of the em-
4	ployee with respect to both the cur-
5	rent and economic conditions of the
6	employer and future labor market
7	conditions relevant to the local area;
8	and
9	"(IV) establish identifiable meas-
10	ures so that the progress of the em-
11	ployee and employer and the relative
12	efficacy of the program can be evalu-
13	ated and best practices identified.
14	"(6) Criteria.—The Secretary of Labor shall
15	establish criteria for awarding grants under this
16	subsection.
17	"(7) Integrated workforce training pro-
18	<del>GRAMS.</del>
19	"(A) Program components.—
20	"(i) REQUIRED COMPONENTS.—Each
21	program that receives funding under this
22	subsection shall—
23	"(I) test an individual's English
24	language proficiency levels to assess
25	oral and literacy gains from the begin-

1	ning and throughout program enroll-
2	ment;
3	"(II) combine training specific to
4	a particular occupation or occupa-
5	tional cluster, with—
6	"(aa) English language in-
7	struction, such as instruction
8	through English as a Second
9	Language program, or English
10	for Speakers of Other Lan-
11	<del>guages;</del>
12	"(bb) basic skills instruc-
13	tion; and
14	"(ee) supportive services;
15	"(III) effectively integrate public
16	and private sector entities, including
17	the local workforce investment system
18	and its functions, to achieve the goals
19	of the program; and
20	"(IV) require matching or in-
21	kind resources from private and non-
22	profit entities.
23	"(ii) Permissible components.
24	The program may offer other services, as
25	necessary to promote successful participa-

1	tion and completion, including work-based
2	learning, substance abuse treatment, and
3	mental health services.
4	"(B) GOAL.—Each program that receives
5	funding under this subsection shall be designed
6	to prepare limited English proficient adults for
7	and place such adults in employment in growing
8	industries with identifiable career ladder paths.
9	"(C) Program types.—In selecting pro-
10	grams to receive funding under this subsection,
11	the Secretary shall select programs that meet 1
12	or more of the following criteria:
13	"(i) A program that—
14	"(I) serves unemployed, limited
15	English proficient individuals with sig-
16	nificant work experience or substan-
17	tial education but persistently low
18	wages; and
19	"(II) aims to prepare such indi-
20	viduals for and place such individuals
21	in higher paying employment, defined
22	for purposes of this subparagraph as
23	employment that provides at least 75
24	percent of the median wage in the
25	<del>local area.</del>

1	<del>"(ii)</del> A program that—
2	"(I) serves limited English pro-
3	ficient individuals with lower levels of
4	oral and written fluency, who are
5	working but at persistently low wages;
6	<del>and</del>
7	"(H) aims to prepare such indi-
8	viduals for and place such individuals
9	in higher paying employment, through
10	services provided at the worksite, or
11	at a location central to several work-
12	sites, during work hours.
13	"(iii) A program that—
14	"(I) serves unemployed, limited
15	English proficient individuals with
16	lower levels of oral and written flu-
17	ency, who have little or no work expe-
18	rience; and
19	"(H) aims to prepare such indi-
20	viduals for and place such individuals
21	in employment through services that
22	include subsidized employment, in ad-
23	dition to the components required in
24	subparagraph (A)(i).

1	"(iv) A program that includes funds
2	from private and nonprofit entities.
3	"(D) Program approaches.—In select-
4	ing programs to receive funding under this sub-
5	section, the Secretary shall select programs
6	with different approaches to integrated work-
7	force training, in different contexts, in order to
8	obtain comparative data on multiple approaches
9	to integrated workforce training and English
10	language instruction, to ensure programs are
11	tailored to characteristics of individuals with
12	varying skill levels and to assess how different
13	curricula work for limited English proficient
14	populations. Such approaches may include—
15	"(i) bilingual programs in which the
16	workplace language component and the
17	training are conducted in a combination of
18	an individual's native language and
19	English;
20	"(ii) integrated workforce training
21	programs that combine basic skills, lan-
22	guage instruction, and job specific skills
23	training; or
24	"(iii) sequential programs that provide
25	a progression of skills, language, and train-

1	ing to ensure success upon an individual's
2	completion of the program.
3	"(8) EVALUATION BY ELIGIBLE ENTITY.—Each
4	eligible entity that receives a grant under this sub-
5	section for a program shall carry out a continuous
6	program evaluation and an evaluation specific to the
7	last phase of the program operations.
8	"(9) Evaluation by secretary.—
9	"(A) IN GENERAL.—The Secretary shall
10	conduct an evaluation of program impacts of
11	the programs funded under the demonstration
12	project, with a random assignment, experi-
13	mental design impact study done at each work-
14	site at which such a program is carried out.
15	"(B) Data collection and analysis.—
16	The Secretary shall collect and analyze the data
17	from the demonstration project to determine
18	program effectiveness, including gains in lan-
19	guage proficiency, acquisition of skills, and job
20	advancement for program participants.
21	"(C) REPORT.—The Secretary shall pre-
22	pare and submit to the Committee on Health,
23	Education, Labor, and Pensions of the Senate
24	and the Committee on Education and the

Workforce of the House of Representatives, and

25

1	make available to the public, a report on the
2	demonstration project, including the results of
3	the evaluation.
4	"(10) TECHNICAL ASSISTANCE.—The Secretary
5	shall provide technical assistance to recipients of
6	grants under this subsection throughout the grant
7	<del>periods.</del>
8	"(11) Authorization of appropriations.—
9	In addition to amounts authorized to be appro-
10	priated under section 174(b), there is authorized to
11	be appropriated \$10,000,000 for fiscal year 2004 to
12	earry out this subsection.".
13	SEC. 147. NATIONAL DISLOCATED WORKER GRANTS.
14	(a) In General.—Section 173 (29 U.S.C. 2918) is
15	amended—
16	(1) by striking the heading and inserting the
17	following:
18	"SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.";
19	and
20	(2) in subsection (a)—
21	(A) by striking "national emergency
22	grants" and inserting "national dislocated
23	worker grants";
24	(B) in paragraph (1), by striking "sub-
25	section (e)" and inserting "subsection (b)":

1	(C) in paragraph (3), by striking "and"
2	after the semicolon; and
3	(D) by striking paragraph (4) and insert-
4	ing the following:
5	"(4) to a State or entity (as defined in sub-
6	section (b)(1)(B)) to carry out subsection (d), in-
7	eluding providing assistance to eligible individuals;
8	"(5) to a State or entity (as defined in sub-
9	section (b)(1)(B)) to earry out subsection (e), in-
10	eluding providing assistance to eligible individuals;
11	and
12	"(6) to provide additional assistance to a State
13	board or local board where a higher than average de-
14	mand for employment and training services for dis-
15	located members of the Armed Forces, or spouses of
16	members of the Armed Forces as described in sub-
17	section (e)(2)(A)(iv), exceeds State and local re-
18	sources for providing such services, and where such
19	programs are to be carried out in partnership with
20	the Departments of Defense and Veterans Affairs
21	transition assistance programs.".
22	(b) Administration and Additional Assist-
23	ANCE.—Section 173 (29 U.S.C. 2918) is amended—
24	(1) by striking subsection (b):

1	(2) by redesignating subsections (c) through (g)
2	as subsections (b) through (f), respectively;
3	(3) by striking subsection (d) (as redesignated
4	by paragraph (2)) and inserting the following:
5	"(d) Additional Assistance.—
6	"(1) In General.—From the amount appro-
7	priated and made available to earry out this section
8	for any program year, the Secretary shall use not
9	more than \$20,000,000 to make grants to States to
10	provide employment and training activities under
11	section 134, in accordance with subtitle B.
12	"(2) ELIGIBLE STATES.—The Secretary shall
13	make a grant under paragraph (1) to a State for a
14	<del>program year if—</del>
15	"(A) the amount of the allotment that
16	would be made to the State for the program
17	year 2003 under the formula specified in sec-
18	tion 132(b)(1)(B) as such section was in effect
19	on July 1, 2003, is greater than
20	"(B) the amount of the allotment that
21	would be made to the State for the program
22	year under the formula specified in section
23	132(b)(1)(B).
24	"(3) Amount of grants.—Subject to para-
25	graph (1), the amount of the grant made under

1	paragraph (1) to a State for a program year shall
2	be based on the difference between—
3	"(A) the amount of the allotment that
4	would be made to the State for the program
5	year 2003 under the formula specified in sec-
6	tion 132(b)(1)(B) as such section was in effect
7	on July 1, 2003; and
8	"(B) the amount of the allotment that
9	would be made to the State for the program
10	year under the formula specified in section
11	132(b)(1)(B).";
12	(4) in subsection (e) (as redesignated by para-
13	<del>graph</del> (2))—
14	(A) in paragraph (1), by striking "para-
15	graph (4)(A)" and inserting "paragraph (4)";
	graph (1)(11) and most ting paragraph (1),
16	(B) in paragraph (2), by striking "sub-
16	(B) in paragraph (2), by striking "sub-
16 17	(B) in paragraph (2), by striking "subsection (e)";
16 17 18	(B) in paragraph (2), by striking "subsection (g)" and inserting "subsection (e)";  (C) in paragraph (4), by striking "sub-
16 17 18 19	(B) in paragraph (2), by striking "subsection (g)" and inserting "subsection (e)";  (C) in paragraph (4), by striking "subsection (g)" and inserting "subsection (e)";
16 17 18 19 20	(B) in paragraph (2), by striking "subsection (g)" and inserting "subsection (e)";  (C) in paragraph (4), by striking "subsection (g)" and inserting "subsection (e)";  (D) in paragraph (5), by striking "sub-
16 17 18 19 20 21	(B) in paragraph (2), by striking "subsection (g)" and inserting "subsection (e)";  (C) in paragraph (4), by striking "subsection (g)" and inserting "subsection (e)";  (D) in paragraph (5), by striking "subsection (g)" and inserting "subsection (e)"; and

1	(ii) by striking "subsection (e)(1)(B)"
2	and inserting "subsection (b)(1)(B)"; and
3	(5) in subsection $(f)(1)$ (as redesignated by
4	paragraph (2))—
5	(A) by striking "paragraph (4)(B)" and
6	inserting "paragraph (4)"; and
7	(B) by striking "subsection (f)(1)(A)" and
8	inserting "subsection $(d)(1)(A)$ ".
9	SEC. 148. AUTHORIZATION OF APPROPRIATIONS FOR NA-
10	TIONAL ACTIVITIES.
11	(a) In General.—Section 174(a)(1) (29 U.S.C.
12	2919(a)(1)) is amended by striking "1999 through 2003"
13	and inserting "2004 through 2009".
14	(b) Reservations.—Section 174(b) (29 U.S.C.
15	2919(b)) is amended to read as follows:
16	"(b) Technical Assistance; Demonstration and
17	PILOT PROJECTS, EVALUATIONS, INCENTIVE GRANTS.—
18	There are authorized to be appropriated to carry out sec-
19	tions 170 through 172 and section 136(i) such sums as
20	may be necessary for each of fiscal years 2004 through
21	<del>2009.''.</del>
22	Subtitle E—Administration
23	SEC. 151. REQUIREMENTS AND RESTRICTIONS.
24	Section 181(e) (29 U.S.C. 2931(e)) is amended by
25	striking "economic development activities,".

## SEC. 152. COST PRINCIPLES. 2 The matter preceding <del>elause</del> (i) of 184(a)(2)(B) (29 U.S.C. 2934(a)(2)(B)) is amended by 3 striking "section 134(a)(3)(B)" and inserting "section 5 $\frac{134(a)(4)}{a}$ SEC. 153. REPORTS. 6 7 Section 185(c) (29 U.S.C. 2935(c)) is amended— 8 (1) in paragraph (2), by striking "and" after 9 the semicolon" 10 (2) in paragraph (3), by striking the period and inserting "; and"; and 11 12 (3) by adding at the end the following: 13 "(4) shall have the option to submit or dissemi-14 nate electronically any reports, records, plans, or any 15 other data that are required to be collected or dis-16 seminated under this Act.". 17 SEC. 154. ADMINISTRATIVE PROVISIONS. 18 (a) Annual Report.—Section 189(d) (29 U.S.C. 19 2939(d)) is amended— 20 (1) in paragraph (3), by striking "and" after 21 the semicolon; 22 (2) by redesignating paragraph (4) as para-23 graph (5); and 24 (3) by inserting after paragraph (3) the fol-

lowing:

25

1	"(4) the negotiated levels of performance of the
2	States, the States' requests for adjustments of such
3	levels, and the adjustments of such levels that are
4	made; and".
5	(b) Program Year.—Section 189(g)(1)(B) (29
6	U.S.C. 2939(g)(1)(B)) is amended—
7	(1) by striking "The" and inserting "For fiscal
8	years preceding fiscal year 2005, the"; and
9	(2) by inserting "such" after "any".
10	(e) Availability.—Section 189(g)(2) (29 U.S.C.
11	2939(g)(2)) is amended, in the first sentence—
12	(1) by striking "Funds" and inserting "Except
13	as otherwise provided in this paragraph, funds"; and
14	(2) by striking "each State receiving" and in-
15	serting "each recipient of".
16	(d) General Waivers.—Section 189(i)(4) (29
17	U.S.C. 2939(i)(4)) is amended by adding at the end the
18	following:
19	"(D) EXPEDITED REQUESTS.—The Sec-
20	retary shall expedite requests for waivers of
21	statutory or regulatory requirements that have
22	been approved for a State pursuant to subpara-
23	graph (B), provided the requirements of this
24	section have been satisfied "

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<u> </u>	$\frac{1}{10000000000000000000000000000000000$	<del>100</del> 1	( <del>'</del>	$\overline{\mathbf{v} \cdot \mathbf{v} \cdot \mathbf{v}}$	<del>20101</del>	12	amenaea	$\omega$	reau	as

- 3 follows:
- 4 "SEC. 193. TRANSFER OF FEDERAL EQUITY IN STATE EM-
- 5 PLOYMENT SECURITY AGENCY REAL PROP-
- 6 ERTY TO THE STATES.
- 7 "(a) Transfer of Federal Equity.—Notwith-
- 8 standing any other provision of law, any Federal equity
- 9 acquired in real property through grants to States award-
- 10 ed under title III of the Social Security Act (42 U.S.C.
- 11 501 et seq.) or under the Wagner-Peyser Act is trans-
- 12 ferred to the States that used the grants for the acquisi-
- 13 tion of such equity. The portion of any real property that
- 14 is attributable to the Federal equity transferred under this
- 15 section shall be used to carry out activities authorized
- 16 under title III of the Social Security Act or the Wagner-
- 17 Peyser Act. Any disposition of such real property shall be
- 18 earried out in accordance with the procedures prescribed
- 19 by the Secretary and the portion of the proceeds from the
- 20 disposition of such real property that is attributable to the
- 21 Federal equity transferred under this section shall be used
- 22 to carry out activities authorized under title HI of the So-
- 23 cial Security Act or the Wagner-Peyser Act.
- 24 "(b) Limitation on Use.—A State shall not use
- 25 funds awarded under title III of the Social Security Act
- 26 or the Wagner-Peyser Act to amortize the costs of real

1	property that is purchased by any State on or after the
2	effective date of this provision.".
3	SEC. 156. TABLE OF CONTENTS.
4	Section 1(b) (29 U.S.C. 9201 note) is amended—
5	(1) by striking the item relating to section 123
6	and inserting the following:
	"Sec. 123. Eligible providers of youth activities.";
7	(2) by striking the item relating to section 169
8	and inserting the following:
	"Sec. 169. Youth challenge grants.";
9	(3) by striking the item relating to section 193
10	and inserting the following:
	"Sec. 193. Transfer of Federal equity in State employment security agency real property to the States.";
11	(4) by striking the item relating to section 173
12	and inserting the following:
	"Sec. 173. National dislocated worker grants.";
13	(5) by inserting after the item relating to see-
14	tion 212 the following:
	"Sec. 213. Incentive grants for States.";
15	and
16	(6) by inserting after the item relating to see-
17	tion 243 the following:
	"Sec. 244. Integrated english literacy and civics education.".

# 1 TITLE II—AMENDMENTS TO THE

### **ADULT EDUCATION AND FAM-**2

3	ILY LITERACY ACT
4	SEC. 201. SHORT TITLE; PURPOSE.
5	(a) SHORT TITLE.—This title may be cited as the
6	"Adult Education and Family Literacy Act Amendments
7	of 2003".
8	(b) Purpose.—Section 202 of the Adult Education
9	and Family Literacy Act (20 U.S.C. 9201) is amended—
10	(1) in paragraph (2), by striking "and" after
11	the semicolon;
12	(2) in paragraph (3), by striking "education."
13	and inserting "education and in the transition to
14	postsecondary education; and"; and
15	(3) by adding at the end the following:
16	"(4) assist immigrants and other individuals
17	with limited English proficiency in improving their
18	reading, writing, speaking, and mathematics skills
19	and acquiring an understanding of the American
20	free enterprise system, individual freedom, and the
21	responsibilities of citizenship.".
22	SEC. 202. DEFINITIONS.
23	Section 203 of the Adult Education and Family Lit-
24	eracy Act (20 U.S.C. 9202) is amended—
25	(1) in paragraph (1)—

1	(A) in the matter preceding subparagraph
2	(A), by striking "services or instruction below
3	the postsecondary level" and inserting "aca-
4	demic instruction and education services below
5	the postsecondary level that increase an individ-
6	ual's ability to read, write, and speak in
7	English and perform mathematics skills"; and
8	(B) by striking subparagraph (C)(i) and
9	inserting the following:
10	<del>"(i)</del> are basic skills deficient as de-
11	fined in section 101;";
12	(2) in paragraph (2), by striking "activities de-
13	scribed in section 231(b)" and inserting "programs
14	and services which include reading, writing, speak-
15	ing, or mathematics skills, workplace literacy activi-
16	ties, family literacy activities, English language ac-
17	quisition activities, or other activities necessary for
18	the attainment of a secondary school diploma or its
19	State recognized equivalent";
20	(3) in paragraph (5)—
21	(A) by inserting "an organization that has
22	demonstrated effectiveness in providing adult
23	education, that may include" after "means";
24	(B) in subparagraph (B), by striking "of
25	demonstrated effectiveness";

1	(C) in subparagraph (C), by striking "of
2	demonstrated effectiveness"; and
3	(D) in subparagraph (I), by inserting "or
4	coalition" after "consortium";
5	(4) in paragraph (6)—
6	(A) by striking "LITERACY PROGRAM" and
7	inserting "LANGUAGE ACQUISITION PROGRAM";
8	(B) by striking "literacy program" and in-
9	serting "language acquisition program"; and
10	(C) by inserting "reading, writing, and
11	speaking" after "competence in";
12	(5) by redesignating paragraphs (7) through
13	(18) as paragraphs (8) through (19), respectively;
14	(6) by inserting after paragraph (6) the fol-
15	lowing:
16	"(7) Essential components of reading in-
17	STRUCTION.—The term 'essential components of
18	reading instruction' has the meaning given the term
19	in section 1208 of the Elementary and Secondary
20	Education Act of 1965 (20 U.S.C. 6368)."; and
21	(7) by striking paragraph (19), as redesignated
22	by paragraph (4), and inserting the following:
23	"(19) Workplace Literacy Program.—The
24	term 'workplace literacy program' means an edu-
25	cational program designed to improve the produc-

1	tivity of the workforce through the improvement of
2	literacy skills that is offered by an eligible provider
3	in collaboration with an employer or an employee or-
4	ganization at a workplace, at an off-site location, or
5	in a simulated workplace environment.".
6	SEC. 203. AUTHORIZATION OF APPROPRIATIONS.
7	Section 205 of the Adult Education and Family Lit-
8	eracy Act (20 U.S.C. 9204) is amended—
9	(1) by striking "1999" and inserting "2004"
10	and
11	(2) by striking "2003" and inserting "2009".
12	SEC. 204. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE
13	AGENCIES; ALLOTMENTS.
14	Section 211 of the Adult Education and Family Lit-
17	Section 211 of the Maint Pattention and Family The
	eracy Act (20 U.S.C. 9211) is amended—
15	
15 16	eracy Act (20 U.S.C. 9211) is amended—
15 16 17	eracy Act (20 U.S.C. 9211) is amended—  (1) by striking subsection (a) and inserting the
15 16 17	eracy Act (20 U.S.C. 9211) is amended—  (1) by striking subsection (a) and inserting the following:
15 16 17 18	eracy Act (20 U.S.C. 9211) is amended—  (1) by striking subsection (a) and inserting the following:  "(a) RESERVATION OF FUNDS.—From the sum ap-
15 16 17 18	eracy Act (20 U.S.C. 9211) is amended—  (1) by striking subsection (a) and inserting the following:  "(a) Reservation of Funds.—From the sum appropriated under section 205 for a fiscal year, the Section 205 for a fiscal year.
115 116 117 118 119 220	eracy Act (20 U.S.C. 9211) is amended—  (1) by striking subsection (a) and inserting the following:  "(a) Reservation of Funds.—From the sum appropriated under section 205 for a fiscal year, the Section?

1	"(2) shall reserve 1.5 percent to carry out sec-
2	tion 243, except that the amount so reserved shall
3	not exceed \$8,000,000;
4	"(3) shall make available, to the Secretary of
5	Labor, 1.72 percent for incentive grants under sec-
6	tion 136(i); and
7	"(4) shall reserve 12 percent of the amount
8	that remains after reserving funds under paragraphs
9	(1), (2) and (3) to carry out section 244.";
10	(2) by striking subsection (d) and inserting the
11	following:
12	"(d) QUALIFYING ADULT.—For the purpose of sub-
13	section (c)(2), the term 'qualifying adult' means an adult
14	who—
15	"(1) is not less than 16 years of age;
16	"(2) is beyond the age of compulsory school at-
17	tendance under the law of the State or outlying
18	area;
19	"(3) does not have a secondary school diploma
20	or its recognized equivalent (including recognized al-
21	ternative standards for individuals with disabilities);
22	and
23	"(4) is not enrolled in secondary school.";
24	(3) in subsection (e)—

1	(A) by striking paragraph (2) and insert-
2	ing the following:
3	"(2) AWARD BASIS.—The Secretary shall award
4	grants pursuant to paragraph (1) on a competitive
5	basis and pursuant to recommendations from the
6	Pacific Region Educational Laboratory in Honolulu,
7	Hawaii."; and
8	(B) in paragraph (3), by striking "shall"
9	and all that follows through the period and in-
10	serting "shall be eligible to receive a grant
11	under this title until the date when an agree-
12	ment for the extension of the United States
13	education assistance under the Compact of Free
14	Association for each of the Freely Associated
15	States becomes effective."; and
16	(4) in subsection (f)—
17	(A) in the heading, by inserting "Provi-
18	SIONS" after "HOLD-HARMLESS";
19	(B) by redesignating paragraph (2) as
20	paragraph (3); and
21	(C) by striking paragraph (1) and insert-
22	ing the following:
23	"(1) In General.—Notwithstanding subsection
24	(e) and subject to paragraphs (2) and (3), for fiscal
25	vear 2004 and each succeeding fiscal year, no cligi-

1	ble agency shall receive an allotment under this title
2	that is less than 90 percent of the allotment the eli-
3	gible agency received for the preceding fiscal year
4	under this title.
5	"(2) 100 PERCENT ALLOTMENT.—An eligible
6	agency shall receive an allotment under this title
7	that is equal to 100 percent of the allotment the eli-
8	gible agency received for the preceding fiscal year
9	under this title if the eligible agency received, for the
10	preceding fiscal year, only an initial allotment under
11	subsection (e)(1) and did not receive an additional
12	allotment under subsection (e)(2).".
13	SEC. 205. PERFORMANCE ACCOUNTABILITY SYSTEM.
14	Section 212 of the Adult Education and Family Lit-
15	eracy Act (20 U.S.C. 9212) is amended—
16	(1) in subsection (b)—
17	(A) in paragraph $(1)(A)(ii)$ , by striking
18	"additional indicators of performance (if any)"
19	and inserting "employment performance indica-
20	tors";
21	(B) in paragraph (2)—
22	(i) in subparagraph (A)—
23	(I) in clause (i), by striking
24	"Demonstrated" and inserting "Meas-
25	<del>urable'';</del>

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1	(H) by striking clause (ii) and in-
2	serting the following:
3	"(ii) Placement in, retention in, or
4	completion of, postsecondary education or
5	other training programs."; and
6	(III) in clause (iii), by inserting
7	"(including recognized alternative
8	standards for individuals with disabil-
9	ities)" after "equivalent";
10	(ii) by redesignating subparagraph
11	(B) as subparagraph (C);
12	(iii) by inserting after subparagraph
13	(A), the following:
14	"(B) Employment performance indi-
15	CATORS. An eligible agency shall identify in
16	the State plan individual participant employ-
17	ment performance indicators, including entry
18	into unsubsidized employment, retention in un-
19	subsidized employment, and career advance-
20	ment. The State workforce investment board
21	shall assist the eligible agency in obtaining and
22	using quarterly wage records to collect data for
23	such indicators, consistent with applicable Fed-
24	eral and State privacy laws.";

1	(iv) in subparagraph (C), as redesig-
2	nated by clause (ii), by inserting "rel-
3	evant" after "additional"; and
4	(v) by adding at the end the following:
5	"(D) Indicators for workplace Lit-
6	ERACY PROGRAMS. Special accountability
7	measures may be negotiated for workplace lit-
8	eracy programs."; and
9	(C) in paragraph (3)—
10	(i) in subparagraph (A)—
11	(I) in clause (i)(II), by striking
12	"in performance" and inserting "the
13	agency's performance outcomes in an
14	objective, quantifiable, and measur-
15	able form";
16	(H) in clause (ii), by striking "3
17	programs years" and inserting "2
18	program years";
19	(III) in clause (iii), by striking
20	"FIRST 3 YEARS" and inserting
21	"FIRST 2 YEARS";
22	(IV) in clause (iii), by striking
23	"first 3 program years" and inserting
24	"first 2 program years";

1	(V) in clause (v), by striking
2	"4TH AND 5TH" and inserting "3RD
3	AND 4TH";
4	(VI) in clause (v), by striking "to
5	the fourth" and inserting "to the
6	third";
7	(VII) in clause (v), by striking
8	"fourth and fifth" and inserting
9	"third and fourth"; and
10	(VIII) in clause (vi), by striking
11	"(II)" and inserting "(I)";
12	(ii) in subparagraph (B)—
13	(I) by striking the heading and
14	inserting "Levels of employment
15	PERFORMANCE";
16	(II) by striking "may" and in-
17	serting "shall"; and
18	(III) by striking "additional" and
19	inserting "employment"; and
20	(iii) by adding at the end the fol-
21	lowing:
22	"(C) ALTERNATIVE ASSESSMENT SYS-
23	TEMS. Eligible agencies may approve the use
24	of assessment systems that are not commer-
25	cially available standardized systems if such

1	systems meet the Standards for Educational
2	and Psychological Testing issued by the Joint
3	Committee on Standards for Educational and
4	Psychological Testing of the American Edu-
5	cational Research Association, the American
6	Psychological Association, and the National
7	Council on Measurement in Education.";
8	(2) in subsection (e)—
9	(A) in paragraph (1)—
10	(i) by inserting "the Governor, the
11	State legislature, and the State workforce
12	investment board" after "Secretary"; and
13	(ii) by striking "including" and all
14	that follows through the period and insert-
15	ing "including the following:
16	"(A) Information on the levels of perform-
17	ance achieved by the eligible agency with re-
18	spect to the core indicators of performance, and
19	employment performance indicators.
20	"(B) The number and type of each eligible
21	provider that receives funding under such
22	<del>grant.</del>
23	"(C) The number of enrollees 16 to 18
24	years of age who enrolled in adult education not

1	later than 1 year after participating in sec-
2	ondary school education.";
3	(B) in paragraph (2)(A), by inserting "eli-
4	gible providers and" after "available to"; and
5	(C) by adding at the end the following:
6	"(3) Data access.—The report made available
7	under paragraph (2) shall indicate which eligible
8	agencies did not have access to State unemployment
9	insurance wage data in measuring employment per-
10	formance indicators."; and
11	(3) by adding at the end the following:
12	"(d) Program Improvement.—
13	"(1) In General.—If the Secretary determines
14	that an eligible agency did not meet its adjusted lev-
15	els of performance for the core indicators of per-
16	formance described in subsection (b)(2)(A) for any
17	program year, the eligible agency shall—
18	"(A) work with the Secretary to develop
19	and implement a program improvement plan for
20	the 2 program years succeeding the program
21	year in which the eligible agency did not meet
22	its adjusted levels of performance; and
23	"(B) revise its State plan under section
24	224, if necessary, to reflect the changes agreed
25	to in the program improvement plan.

1	"(2) FURTHER ASSISTANCE.—If, after the pe-
2	riod described in paragraph (1)(A), the Secretary
3	has provided technical assistance to the eligible
4	agency but determines that the eligible agency did
5	not meet its adjusted levels of performance for the
6	core indicators of performance described in sub-
7	section (b)(2)(A), the Secretary may require the eli-
8	gible agency to make further revisions to the pro-
9	gram improvement plan described in paragraph (1).
10	Such further revisions shall be accompanied by fur-
11	ther technical assistance from the Secretary.".
12	SEC. 206. STATE ADMINISTRATION.
13	Section 221(1) of the Adult Education and Family
14	Literacy Act (20 U.S.C. 9221(1)) is amended by striking
15	"and implementation" and inserting "implementation,
16	and monitoring".
17	SEC. 207. STATE DISTRIBUTION OF FUNDS; MATCHING RE-
18	QUIREMENT.
19	Section 222 of the Adult Education and Family Lit-
20	eracy Act (20 U.S.C. 9222) is amended—
21	(1) in subsection (a)—
22	(A) in paragraph (1)—
23	(i) by striking "82.5" the first place

1	(ii) by striking "the 82.5 percent"
2	and inserting "such amount";
3	(B) in paragraph (2), by striking "not
4	more than 12.5 percent" and inserting "not
5	more than 15 percent"; and
6	(C) in paragraph (3), by striking
7	"\$65,000" and inserting "\$75,000"; and
8	(2) in subsection (b)(1), by striking "equal to"
9	and inserting "that is not less than".
10	SEC. 208. STATE LEADERSHIP ACTIVITIES.
11	Section 223 of the Adult Education and Family Lit-
12	eracy Act (20 U.S.C. 9223) is amended—
13	(1) in subsection (a)—
14	(A) in the matter preceding paragraph (1),
15	by inserting "to develop or enhance the adult
16	education system of the State" after "activi-
17	ties";
18	(B) in paragraph (1), by striking "instruc-
19	tion incorporating" and all that follows through
20	the period and inserting "instruction incor-
21	porating the essential components of reading in-
22	struction and instruction provided by volunteers
23	or by personnel of a State or outlying area.";
24	(C) in paragraph (2), by inserting ", in-
25	cluding development and dissemination of in-

1	structional and programmatic practices based
2	on the most rigorous research available in read-
3	ing, writing, speaking, mathematics, English
4	language acquisition programs, distance learn-
5	ing and staff training" after "activities";
6	(D) in paragraph (5), by striking "moni-
7	toring and";
8	(E) by striking paragraph (6) and insert-
9	ing the following:
10	"(6) The development and implementation of
11	technology applications, translation technology, or
12	distance learning, including professional development
13	to support the use of instructional technology."; and
14	(F) by striking paragraph (7) through
15	paragraph (11) and inserting the following:
16	"(7) Coordination with—
17	"(A) other partners carrying out activities
18	authorized under this Act; and
19	"(B) existing support services, such as
20	transportation, child care, mental health serv-
21	ices, and other assistance designed to increase
22	rates of enrollment in, and successful comple-
23	tion of adult education and literacy activities,
24	for adults enrolled in such activities.

1	"(8) Developing and disseminating curricula,
2	including curricula incorporating the essential com-
3	ponents of reading instruction as they relate to
4	adults.
5	"(9) The provision of assistance to eligible pro-
6	viders in developing, implementing, and reporting
7	measurable progress in achieving the objectives of
8	this subtitle.
9	"(10) The development and implementation of
10	a system to assist in the transition from adult basic
11	education to postsecondary education, including link-
12	ages with postsecondary educational institutions.
13	"(11) Integration of literacy and English lan-
14	guage instruction with occupational skill training,
15	and promoting linkages with employers.
16	"(12) Activities to promote workplace literacy
17	<del>programs.</del>
18	"(13) Activities to promote and complement
19	local outreach initiatives described in section
20	243(e)(2)(H).
21	"(14) In cooperation with efforts funded under
22	sections 242 and 243, the development of curriculum
23	frameworks and rigorous content standards that—
24	"(A) specify what adult learners should
25	know and be able to do in the areas of reading

1	and language arts, mathematics, and English
2	language acquisition; and
3	"(B) take into consideration the following:
4	"(i) State academic standards estab-
5	lished under section 1111(b) of the Ele-
6	mentary and Secondary Education Act of
7	<del>1965.</del>
8	"(ii) The current adult skills and lit-
9	eracy assessments used in the State.
10	"(iii) The core indicators of perform-
11	ance established under section
12	212(b)(2)(A).
13	"(iv) Standards and academic require-
14	ments for enrollment in non-remedial, for-
15	eredit, courses in State supported postsee-
16	ondary education institutions.
17	"(v) Where appropriate, the basic and
18	literacy skill content of occupational and
19	industry skill standards widely used by
20	business and industry in the State.
21	"(15) In cooperation with efforts funded under
22	sections 242 and 243, development and piloting of
23	"(A) new assessment tools and strategies
24	that identify the needs and capture the gains of

1	students at all levels, with particular emphasis
2	<del>on</del>
3	"(i) students at the lowest achieve-
4	ment level;
5	"(ii) students who have limited
6	English proficiency; and
7	"(iii) adults with learning disabilities;
8	"(B) options for improving teacher quality
9	and retention; and
10	"(C) assistance in converting research into
11	<del>practice.</del>
12	"(16) The development and implementation of
13	programs and services to meet the needs of adult
14	learners with learning disabilities or limited English
15	<del>proficiency.</del>
16	"(17) Other activities of statewide significance
17	that promote the purpose of this title."; and
18	(2) in subsection (c), by striking "being State-
19	or outlying area-imposed" and inserting "being im-
20	posed by the State or outlying area".
21	SEC. 209. STATE PLAN.
22	Section 224 of the Adult Education and Family Lit-
23	eracy Act (20 U.S.C. 9224) is amended—
24	(1) in subsection (a)—

1	(A) by striking the heading and inserting
2	"4-YEAR PLANS"; and
3	(B) in paragraph (1), by striking "5" and
4	inserting "4";
5	(2) in subsection (b)—
6	(A) in paragraph (1), by inserting "and
7	the role of provider and cooperating agencies in
8	preparing the assessment" after "serve";
9	(B) by striking paragraph (2) and insert-
10	ing the following:
11	"(2) a description of how the eligible agency
12	will address the adult education and literacy needs
13	identified under paragraph (1) in each workforce de-
14	velopment area of the State, using funds received
15	under this subtitle, as well as other Federal, State,
16	or local funds received in partnership with other
17	agencies for the purpose of adult literacy as applica-
18	ble;";
19	(C) in paragraph (3)—
20	(i) by inserting "and measure" after
21	"evaluate";
22	(ii) by inserting "and improvement"
23	after "effectiveness"; and
24	(iii) by striking "212" and inserting
25	"212, including—

1	"(A) how the eligible agency will evaluate
2	and measure annually such effectiveness on a
3	grant-by-grant basis; and
4	"(B) how the eligible agency—
5	"(i) will hold eligible providers ac-
6	countable regarding the progress of such
7	providers in improving the academic
8	achievement of participants in adult edu-
9	eation programs under this subtitle and re-
10	garding the core indicators of performance
11	described in section 212(b)(2)(A); and
12	"(ii) will use technical assistance,
13	sanctions, and rewards (including alloca-
14	tion of grant funds based on performance
15	and termination of grant funds based on
16	performance)";
17	(D) in paragraph (4), by striking "will en-
18	sure the improvement of" and inserting "im-
19	proved";
20	(E) by redesignating paragraphs (5)
21	through (12) as paragraphs (6) through (13),
22	respectively;
23	(F) by inserting after paragraph (4) the
24	following:

1	"(5) a description of how the eligible agency
2	will improve teacher quality, the professional devel-
3	opment of eligible providers, and instruction;";
4	(G) in paragraph (6) (as redesignated by
5	subparagraph (E)), by striking "who" and all
6	that follows through the semicolon and insert-
7	ing "that—
8	"(A) offers flexible schedules and coordi-
9	nates with necessary Federal, State, and local
10	support services (such as child care, transpor-
11	tation, mental health services, and case man-
12	agement) to enable individuals, including indi-
13	viduals with disabilities or individuals with
14	other special needs, to participate in adult edu-
15	cation and literacy activities; and
16	"(B) attempts to coordinate with support
17	services that are not provided under this sub-
18	title prior to using funds for adult education
19	and literacy activities provided under this sub-
20	title for support services;";
21	(H) in paragraph (10) (as redesignated by
22	subparagraph (E)), by striking "plan" and in-
23	serting "plan, which process—
24	"(A) shall include the State Workforce In-
25	vestment Board, the Governor, State officials

1	representing public schools, community colleges,
2	welfare agencies, agencies that provide services
3	to individuals with disabilities, other State
4	agencies that promote or operate adult edu-
5	cation and literacy activities, and direct pro-
6	viders of such adult literacy services; and
7	"(B) may include consultation with the
8	State agency for higher education, institutions
9	responsible for professional development of
10	adult education and literacy education program
11	instructors, institutions of higher education,
12	representatives of business and industry, ref-
13	ugee assistance programs, and community-
14	based organizations, as defined in section
15	<del>101;";</del>
16	(I) in paragraph (11) (as redesignated by
17	subparagraph (E))—
18	(i) by inserting "assess potential pop-
19	ulation needs and" after "will";
20	(ii) in subparagraph (A), by striking
21	"students" and inserting "individuals";
22	(iii) in subparagraph (C), by striking
23	"and" after the semicolon; and
24	(iv) by adding at the end the fol-
25	<del>lowing:</del>

1	"(E) the unemployed; and
2	"(F) those who are employed, but at levels
3	below self-sufficiency, as defined in section
4	<del>101.'';</del>
5	(J) in paragraph (12) (as redesignated by
6	subparagraph (E))—
7	(i) by inserting "and how the plan
8	submitted under this subtitle is coordi-
9	nated with the plan submitted by the State
10	under title I" after "eligible agency"; and
11	(ii) by striking "and" after the semi-
12	<del>colon;</del>
13	(K) in paragraph (13) (as redesignated by
14	subparagraph (E)), by striking "231(c)(1)."
15	and inserting "231(e)(1), including—
16	"(A) how the State will build the capacity
17	of organizations that provide adult education
18	and literacy activities; and
19	"(B) how the State will increase the par-
20	ticipation of business and industry in adult edu-
21	eation and literacy activities;"; and
22	(L) by adding at the end the following:
23	"(14) a description of how the eligible agency
24	will consult with any State agency responsible for
25	postsecondary education to develop adult education

1	programs and services (including academic skill de-
2	velopment and support services) that prepare stu-
3	dents to enter postsecondary education upon comple-
4	tion of secondary school programs or their recog-
5	nized equivalent;
6	"(15) a description of how the eligible agency
7	will consult with the State agency responsible for
8	workforce development to develop adult education
9	programs and services that are designed to prepare
10	students to enter the workforce; and
11	"(16) a description of how the eligible agency
12	will improve the professional development of eligible
13	providers of adult education and literacy activities.";
14	(3) in subsection (e), by adding at the end the
15	following: "At a minimum, such revision shall occur
16	every 2 years."; and
17	(4) in subsection (d)—
18	(A) in paragraph (1), by inserting ", the
19	chief State school officer, the State officer re-
20	sponsible for administering community and
21	technical colleges, and the State Workforce In-
22	vestment Board" after "Governor"; and
23	(B) in paragraph (2), by striking "com-
24	ments" and all that follows through the period
25	and inserting "comments regarding the State

1	plan by the Governor, the chief State school of-
2	ficer, the State officer responsible for admin-
3	istering community and technical colleges, and
4	the State Workforce Investment Board, and
5	any revision to the State plan, are submitted to
6	the Secretary.".
7	SEC. 210. PROGRAMS FOR CORRECTIONS EDUCATION AND
8	OTHER INSTITUTIONALIZED INDIVIDUALS.
9	Section 225 of the Adult Education and Family Lit-
10	eracy Act (20 U.S.C. 9225) is amended—
11	(1) in subsection (b)—
12	(A) in paragraph (1), by striking "basic
13	education" and inserting "adult education and
14	literacy activities";
15	(B) in paragraph (2) by inserting "and"
16	after the semicolon;
17	(C) by striking paragraph (3); and
18	(D) by redesignating paragraph (4) as
19	paragraph (3); and
20	(2) in subsection (d), by striking "Definition
21	OF CRIMINAL OFFENDER.—" and inserting "DEFI-
22	NITIONS.—In this section:".

1	SEC. 211. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-
2	VIDERS.
3	Section 231 of the Adult Education and Family Lit-
4	eracy Act (20 U.S.C. 9241) is amended—
5	(1) in subsection (b)—
6	(A) in paragraph (1), by striking "work-
7	place literacy services" and inserting "work-
8	place literacy programs"; and
9	(B) in paragraph (3), by striking "lit-
10	eracy" and inserting "language acquisition";
11	(2) in subsection (e)—
12	(A) in paragraph (1), by inserting "to be
13	achieved annually on the core indicators of per-
14	formance and employment performance indica-
15	tors described in section 212(b)(2)" after "out-
16	<del>comes";</del>
17	(B) by striking paragraph (3) and insert-
18	ing the following:
19	"(3) the commitment of the eligible provider to
20	be responsive to local needs and to serve individuals
21	in the community who were identified by the assess-
22	ment as most in need of adult literacy services, in-
23	eluding individuals who are low-income, have mini-
24	mal literacy skills, have learning disabilities, or have
25	limited English proficiency;";

1	(C) in paragraph $(4)(B)$ , by striking ",
2	such as" and all that follows through the semi-
3	colon and inserting "that include the essential
4	components of reading instruction;";
5	(D) in paragraph (5), by striking "re-
6	search" and inserting "the most rigorous re-
7	search available'';
8	(E) in paragraph (7), by inserting ", when
9	appropriate and based on the most rigorous re-
10	search available," after "real life contexts";
11	(F) in paragraph (9), by inserting "edu-
12	cation, job-training, and social service" after
13	"other available";
14	(G) in paragraph (10)—
15	(i) by inserting "coordination with
16	Federal, State, and local" after "schedules
17	and"; and
18	(ii) by striking "and transportation"
19	and inserting ", transportation, mental
20	health services, and ease management";
21	(H) in paragraph (11)—
22	(i) by inserting "measurable" after
23	"report";
24	(ii) by striking "eligible agency";

1	(iii) by inserting "established by the
2	eligible agency" after "performance meas-
3	ures"; and
4	(iv) by striking "and" after the semi-
5	<del>colon;</del>
6	(I) in paragraph (12), by striking "literacy
7	programs." and inserting "language acquisition
8	programs and civies education programs;"; and
9	(J) by adding at the end the following:
10	"(13) the capacity of the eligible provider to
11	produce information on performance results, includ-
12	ing enrollments and measurable participant out-
13	<del>comes;</del>
14	"(14) whether reading, writing, speaking, math-
15	ematics, and English language acquisition instruc-
16	tion provided by the eligible provider are based on
17	the best practices derived from the most rigorous re-
18	search available;
19	"(15) whether the eligible provider's applica-
20	tions of technology and services to be provided are
21	sufficient to increase the amount and quality of
22	learning and lead to measurable learning gains with-
23	in specified time periods; and
24	"(16) the capacity of the eligible provider to
25	serve adult learners with learning disabilities."

1	SEC. 212. LOCAL APPLICATION.
2	Section 232 of the Adult Education and Family Lit-
3	eracy Act (20 U.S.C. 9242) is amended—
4	(1) in paragraph (1)—
5	(A) by inserting "consistent with the re-
6	quirements of this subtitle" after "spent"; and
7	(B) by striking "and" after the semicolon
8	(2) in paragraph (2), by striking the period at
9	the end and inserting "; and"; and
10	(3) by adding at the end the following:
11	"(3) each of the demonstrations required under
12	section 231(e).".
13	SEC. 213. LOCAL ADMINISTRATIVE COST LIMITS.
14	Section 233 of the Adult Education and Family Lit-
14 15	Section 233 of the Adult Education and Family Literacy Act (20 U.S.C. 9243) is amended—
	·
15	eracy Act (20 U.S.C. 9243) is amended—
15 16	eracy Act (20 U.S.C. 9243) is amended— (1) in subsection (a)(2)—
15 16 17	eracy Act (20 U.S.C. 9243) is amended—  (1) in subsection (a)(2)—  (A) by inserting "and professional" after
15 16 17 18	eracy Act (20 U.S.C. 9243) is amended—  (1) in subsection (a)(2)—  (A) by inserting "and professional" after "personnel"; and
15 16 17 18	eracy Act (20 U.S.C. 9243) is amended—  (1) in subsection (a)(2)—  (A) by inserting "and professional" after "personnel"; and  (B) by inserting "development of measure"
115 116 117 118 119 220	eracy Act (20 U.S.C. 9243) is amended—  (1) in subsection (a)(2)—  (A) by inserting "and professional" after "personnel"; and  (B) by inserting "development of measurable goals in reading, writing, and speaking the
115 116 117 118 119 220 221	eracy Act (20 U.S.C. 9243) is amended—  (1) in subsection (a)(2)—  (A) by inserting "and professional" after "personnel"; and  (B) by inserting "development of measurable goals in reading, writing, and speaking the English language, and in mathematical com-

"personnel"; and

1	(B) by inserting "development of measur-
2	able goals in reading, writing, and speaking the
3	English language, and in mathematical com-
4	putation," after "development,".
5	SEC. 214. ADMINISTRATIVE PROVISIONS.
6	Section 241(b) of the Adult Education and Family
7	Literacy Act (20 U.S.C. 9251(b)) is amended—
8	(1) in paragraph $(1)(A)$ —
9	(A) by striking "adult education and lit-
10	eracy activities" both places such terms appear
11	and inserting "activities under this subtitle";
12	and
13	(B) by striking "was" and inserting
14	"were"; and
15	(2) in paragraph (4)—
16	(A) by inserting "not more than" after
17	"this subsection for"; and
18	(B) by striking "only".
19	SEC. 215. NATIONAL INSTITUTE FOR LITERACY.
20	Section 242 of the Adult Education and Family Lit-
21	eracy Act (20 U.S.C. 9252) is amended—
22	(1) in subsection (a)—
23	(A) in paragraph (1), by striking "lit-
24	eracy" and inserting "effective literacy pro-
25	grams for children, youth, adults, and families";

1	(B) in paragraph (2), by inserting "and
2	disseminates information on" after "coordi-
3	nates"; and
4	(C) by striking paragraph (3)(A) and in-
5	serting the following:
6	"(A) coordinating and participating in the
7	Federal effort to identify and disseminate infor-
8	mation on literacy that is derived from scientif-
9	ically based research, or the most rigorous re-
10	search available and effective programs that
11	serve children, youth, adults, and families.";
12	(2) by striking subsection (b)(3) and inserting
13	the following:
14	"(3) RECOMMENDATIONS.—The Interagency
15	Group, in consultation with the National Institute
16	for Literacy Advisory Board (in this section referred
17	to as the 'Board') established under subsection (e),
18	shall plan the goals of the Institute and the imple-
19	mentation of any programs to achieve the goals. The
20	Board may also request a meeting of the Inter-
21	agency Group to discuss any recommendations the
22	Board may make.";
23	(3) in subsection (e)—
24	(A) in paragraph (1)—
25	(i) in subparagraph (A)—

1	(I) by striking "to establish" and
2	inserting "to maintain";
3	(II) in clause (i), by striking
4	"phonemic awareness, systematic
5	phonics, fluency, and reading com-
6	prehension" and inserting "the essen-
7	tial components of reading instruc-
8	tion";
9	(III) in clause (iii), by striking
10	"and" after the semicolon;
11	(IV) in clause (iv), by inserting
12	"and" after the semicolon; and
13	(V) by adding at the end the fol-
14	lowing:
15	"(v) a list of local adult education and
16	literacy programs;";
17	(ii) in subparagraph (C)—
18	(I) by striking "reliable and
19	replicable research" and inserting "re-
20	liable and replicable research as de-
21	fined by the Institute of Education
22	Sciences"; and
23	(II) by striking "especially with
24	the Office of Educational Research

1	and Improvement in the Department
2	of Education,";
3	(iii) in subparagraph (D), by striking
4	"phonemic awareness, systematic phonics,
5	fluency, and reading comprehension based
6	on" and inserting "the essential compo-
7	nents of reading instruction and";
8	(iv) in subparagraph (H), by striking
9	"and" after the semicolon;
10	(v) in subparagraph (I), by striking
11	the period at the end and inserting a semi-
12	colon; and
13	(vi) by adding at the end the fol-
14	<del>lowing:</del>
15	"(J) to work cooperatively with the De-
16	partment of Education to assist States that are
17	pursuing the implementation of standards-based
18	educational improvements for adults through
19	the dissemination of training, technical assist-
20	ance, and related support and through the de-
21	velopment and dissemination of related stand-
22	ards-based assessment instruments; and
23	"(K) to identify rigorous research on the
24	effectiveness of instructional practices and orga-
25	nizational strategies relating to literacy pro-

1	grams on the acquisition of skills in reading;
2	writing, English acquisition, and mathe-
3	matics."; and
4	(B) by adding at the end the following:
5	"(3) COORDINATION.—In identifying the reli-
6	able and replicable research the Institute will sup-
7	port, the Institute shall use standards for research
8	quality that are consistent with those of the Insti-
9	tute of Education Sciences.";
10	(4) in subsection (e)—
11	(A) in paragraph (1)(B)—
12	(i) in clause (i), by striking "literacy
13	programs" and inserting "language acqui-
14	sition programs";
15	(ii) in clause (ii), by striking "literacy
16	programs" and inserting "or have partici-
17	pated in or partnered with workplace lit-
18	eracy programs";
19	(iii) in clause (iv), by inserting ", in-
20	eluding adult literacy research" after "re-
21	search";
22	(iv) in clause (vi), by striking "and"
23	after the semicolon;
24	(v) in clause (vii), by striking the pe-
25	riod at the end and inserting ": and"; and

1	(vi) by adding at the end the fol-
2	lowing:
3	"(viii) institutions of higher edu-
4	eation.";
5	(B) in paragraph (2)—
6	(i) in subparagraph (B), by striking
7	"and" after the semicolon;
8	(ii) in subparagraph (C), by striking
9	the period at the end and inserting ";
10	and"; and
11	(iii) by adding at the end the fol-
12	lowing:
13	"(D) review the biennial report submitted
14	to Congress pursuant to subsection (k)."; and
15	(C) in paragraph (5), by striking the sec-
16	ond sentence and inserting the following: "A
17	recommendation of the Board may be passed
18	only by a majority of the Board's members
19	present at a meeting for which there is a
20	<del>quorum."; and</del>
21	(5) in subsection (k)—
22	(A) by striking "Labor and Human Re-
23	sources" and inserting "Health, Education,
24	Labor, and Pensions"; and

1	(B) by striking "The Institute shall submit
2	a report biennially to" and inserting "Not later
3	than 1 year after the date of enactment of the
4	Adult Education and Family Literacy Act
5	Amendments of 2003, and biennially thereafter,
6	the Institute shall submit a report to".
7	SEC. 216. NATIONAL LEADERSHIP ACTIVITIES.
8	Section 243 of the Adult Education and Family Lit-
9	eracy Act (20 U.S.C. 9253) is amended to read as follows:
10	"SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.
11	"(a) IN GENERAL.—The Secretary shall establish
12	and carry out a program of national leadership activities
13	to enhance the quality of adult education and literacy pro-
14	grams nationwide.
15	"(b) Permissive Activities.—The national leader-
16	ship activities described in subsection (a) may include the
17	following:
18	"(1) Technical assistance, including—
19	"(A) assistance provided to eligible pro-
20	viders in developing and using performance
21	measures for the improvement of adult edu-
22	cation and literacy activities, including family
23	literacy services;
24	"(B) assistance related to professional de-
25	velopment activities, and assistance for the pur-

1	poses of developing, improving, identifying, and
2	disseminating the most successful methods and
3	techniques for providing adult education and
4	literacy activities, including family literacy serv-
5	ices, based on scientific evidence where avail-
6	able;
7	"(C) assistance in distance learning and
8	promoting and improving the use of technology
9	in the elassroom;
10	"(D) assistance in developing valid, meas-
11	urable, and reliable performance data, including
12	data around employment and employment out-
13	come, and using performance information for
14	the improvement of adult education and literacy
15	<del>programs;</del> and
16	"(E) assistance to help States, particularly
17	low-performing States, meet the requirements
18	of section 212.
19	"(2) A program of grants, contracts, or cooper-
20	ative agreements awarded on a competitive basis to
21	national, regional, or local networks of private non-
22	profit organizations, public libraries, or institutions
23	of higher education to build the capacity of such net-

works' members to meet the performance require-

1	ments of eligible providers under this title and in-
2	volve adult learners in program improvement.
3	"(3) Funding national leadership activities that
4	are not described in paragraph (1), either directly or
5	through grants, contracts, or cooperative agreements
6	awarded on a competitive basis to or with postsec-
7	ondary educational institutions, public or private or
8	ganizations or agencies, or consortia of such institu-
9	tions, organizations, or agencies, such as—
10	"(A) developing, improving, and identifying
11	the most successful methods and techniques for
12	addressing the education needs of adults, in
13	cluding instructional practices using the essen-
14	tial components of reading instruction based or
15	the work of the National Institute of Child
16	Health and Human Development;
17	"(B) increasing the effectiveness of, and
18	improving the quality of, adult education and
19	literacy activities, including family literacy serv-
20	<del>ices;</del>
21	"(C) carrying out research on national lit
22	eracy basic skill acquisition for adult learning
23	including estimating the number of adults func-
24	tioning at the lowest levels of literacy pro-

ficiency;

1	"(D)(i) carrying out demonstration pro-
2	<del>grams;</del>
3	"(ii) disseminating best practices informa-
4	tion, including information regarding promising
5	practices resulting from federally funded dem-
6	onstration programs; and
7	"(iii) developing and replicating best prac-
8	tices and innovative programs, including—
9	"(I) the development of models for
10	basic skill certificates;
11	"(II) the identification of effective
12	strategies for working with adults with
13	learning disabilities and with adults with
14	limited English proficiency;
15	"(III) integrated basic and workplace
16	skills education programs;
17	"(IV) coordinated literacy and em-
18	ployment services; and
19	"(V) postsecondary education transi-
20	tion programs;
21	"(E) providing for the conduct of an inde-
22	pendent evaluation and assessment of adult
23	education and literacy activities through studies
24	and analyses conducted independently through
25	grants and contracts awarded on a competitive

1	basis, which evaluation and assessment shall in-
2	elude descriptions of—
3	"(i) the effect of performance meas-
4	ures and other measures of accountability
5	on the delivery of adult education and lit-
6	eracy activities, including family literacy
7	services;
8	"(ii) the extent to which the adult
9	education and literacy activities, including
10	family literacy services, increase the lit-
11	eracy skills of adults (and of children, in
12	the case of family literacy services), lead
13	the participants in such activities to in-
14	volvement in further education and train-
15	ing, enhance the employment and earnings
16	of such participants, and, if applicable,
17	lead to other positive outcomes, such as re-
18	ductions in recidivism in the case of pris-
19	on-based adult education and literacy ac-
20	tivities;
21	"(iii) the extent to which the provision
22	of support services to adults enrolled in
23	adult education and family literacy pro-
24	grams increase the rate of enrollment in,

1	and successful completion of, such pro-
2	<del>grams; and</del>
3	"(iv) the extent to which different
4	types of providers measurably improve the
5	skills of participants in adult education
6	and literacy programs;
7	"(F) supporting efforts aimed at capacity
8	building of programs at the State and local lev-
9	els such as technical assistance in program
10	planning, assessment, evaluation, and moni-
11	toring of activities carried out under this sub-
12	title;
13	"(G) collecting data, such as data regard-
14	ing the improvement of both local and State
15	data systems, through technical assistance and
16	development of model performance data collec-
17	tion systems;
18	"(H) supporting the development of an en-
19	tity that would produce and distribute tech-
20	nology-based programs and materials for adult
21	education and literacy programs using an inter-
22	connection system (as defined in section 397 of
23	the Communications Act of 1934 (47 U.S.C.
24	397)) and expand the effective outreach and

1	use of such programs and materials to adult
2	education eligible providers;
3	"(I) determining how participation in adult
4	education and literacy activities prepares indi-
5	viduals for entry into postsecondary education
6	and employment and, in the case of prison-
7	based services, has an effect on recidivism; and
8	"(J) other activities designed to enhance
9	the quality of adult education and literacy ac-
10	tivities nationwide.".
11	SEC. 217. INTEGRATED ENGLISH LITERACY AND CIVICS
12	EDUCATION.
12 13	Chapter 4 of subtitle A of title H (29 U.S.C. 9251)
13	
13 14	Chapter 4 of subtitle A of title H (29 U.S.C. 9251
13 14	Chapter 4 of subtitle A of title II (29 U.S.C. 9251 et seq.) is amended by adding at the end the following:
13 14 15	Chapter 4 of subtitle A of title II (29 U.S.C. 9251 et seq.) is amended by adding at the end the following: "SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS
13 14 15 16 17	Chapter 4 of subtitle A of title II (29 U.S.C. 9251 et seq.) is amended by adding at the end the following:  "SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS EDUCATION.
13 14 15 16 17	Chapter 4 of subtitle A of title II (29 U.S.C. 9251 et seq.) is amended by adding at the end the following:  "SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS EDUCATION.  "(a) IN GENERAL.—From funds made available
13 14 15 16 17 18	Chapter 4 of subtitle A of title II (29 U.S.C. 9251 et seq.) is amended by adding at the end the following:  "SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS EDUCATION.  "(a) IN GENERAL.—From funds made available under section 211(a)(4) for each fiscal year the Secretary
13 14 15 16 17 18	Chapter 4 of subtitle A of title II (29 U.S.C. 9251 et seq.) is amended by adding at the end the following:  "SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS EDUCATION.  "(a) IN GENERAL.—From funds made available under section 211(a)(4) for each fiscal year the Secretary shall award grants to States, from allotments under sub-
13 14 15 16 17 18 19 20	Chapter 4 of subtitle A of title H (29 U.S.C. 9251 et seq.) is amended by adding at the end the following:  "SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS EDUCATION.  "(a) IN GENERAL.—From funds made available under section 211(a)(4) for each fiscal year the Secretary shall award grants to States, from allotments under subsection (b), for integrated English literacy and civies education (b).
13 14 15 16 17 18 19 20 21	Chapter 4 of subtitle A of title H (29 U.S.C. 9251 et seq.) is amended by adding at the end the following:  "SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS EDUCATION.  "(a) IN GENERAL.—From funds made available under section 211(a)(4) for each fiscal year the Secretary shall award grants to States, from allotments under subsection (b), for integrated English literacy and civics education.

1	211(a)(4) for a fiscal year the Secretary shall allo-
2	eate—
3	"(A) 65 percent to the States on the basis
4	of a State's need for integrated English literacy
5	and civies education as determined by calcu-
6	lating each State's share of a 10-year average
7	of the Immigration and Naturalization Service
8	data for immigrants admitted for legal perma-
9	nent residence for the 10 most recent years;
10	<del>and</del>
11	"(B) 35 percent to the States on the basis
12	of whether the State experienced growth as
13	measured by the average of the 3 most recent
14	years for which Immigration and Naturalization
15	Service data for immigrants admitted for legal
16	permanent residence are available.
17	"(2) MINIMUM.—No State shall receive an al-
18	lotment under paragraph (1) in an amount that is
19	<del>less than \$60,000.".</del>
20	SEC. 218. TRANSITION.
21	The Secretary shall take such steps as the Secretary
22	determines to be appropriate to provide for the orderly
23	transition to the authority of the Adult Education and
24	Family Literacy Act (as amended by this title) from any
25	authority under provisions of the Adult Education and

- 1 Family Literacy Act (as such Act was in effect on the day
- 2 before the date of enactment of the Adult Education and
- 3 Family Literacy Act Amendments of 2003).

## 4 TITLE III—AMENDMENTS TO

## 5 OTHER PROVISIONS OF LAW

- 6 SEC. 301. WAGNER-PEYSER ACT.
- 7 (a) Conforming Amendment.—Section 2(3) of the
- 8 Wagner-Peyser Act (29 U.S.C. 49a(3)) is amended by
- 9 striking "section 134(e)" and inserting "section 121(e)".
- 10 (b) Colocation.—Section 3 of the Wagner-Peyser
- 11 Act (29 U.S.C. 49b) is amended by adding at the end the
- 12 following:
- 13 "(d) In order to avoid duplication of services and en-
- 14 hance integration of services, employment services offices
- 15 in each State shall be colocated with comprehensive one-
- 16 stop centers established under title I of the Workforce In-
- 17 vestment Act of 1998.".
- 18 (c) Cooperative Statistical Program.—Section
- 19 14 of the Wagner-Peyser Act (29 U.S.C. 491-1) is amend-
- 20 ed by striking the section heading and all that follows
- 21 through "There" and inserting the following:
- 22 "SEC. 14. COOPERATIVE STATISTICAL PROGRAM.
- 23 "There".

1	(d) Workforce and Labor Market Information
2	System.—Section 15 of the Wagner-Peyser Act (29)
3	U.S.C. 491–2) is amended—
4	(1) by striking the section heading and insert-
5	ing the following:
6	"SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION
7	SYSTEM.";
8	(2) by striking "employment statistics system"
9	each place it appears and inserting "workforce and
10	labor market information system";
11	(3) in subsection $(a)(1)$ , by striking "of employ-
12	ment statistics";
13	(4) in subsection $(b)(2)(E)$ —
14	(A) in clause (i), by adding "and" at the
15	end;
16	(B) in clause (ii), by striking "; and" and
17	inserting a period; and
18	(C) by striking clause (iii);
19	(5) by striking subsections (e) and (d) and in-
20	serting the following:
21	"(e) National Electronic Tools To Provide
22	SERVICES.—The Secretary, in consultation with States, is
23	authorized to assist in the development of national elec-
24	tronic tools that may be used to improve access to work-
25	force information for individuals through—

1	"(1) the one-stop delivery systems established
2	under section 121(e); and
3	"(2) such other delivery systems as the Sec-
4	retary determines to be appropriate.
5	"(d) Two-Year Plan.—The Secretary, working
6	through the Bureau of Labor Statistics, and in coopera-
7	tion with the States and with the assistance of the Em-
8	ployment and Training Administration and other appro-
9	priate Federal agencies, shall prepare a 2-year plan which
10	shall be the mechanism for achieving cooperative manage-
11	ment of the nationwide workforce and labor market infor-
12	mation system described in subsection (a) and the state-
13	wide workforce and labor market information systems that
14	comprise the nationwide system. The plan shall—
15	"(1) describe the steps to be taken in the fol-
16	lowing 2 years to carry out the duties described in
17	subsection $(b)(2)$ ;
18	"(2) evaluate the performance of the system
19	and recommend needed improvements, with par-
20	ticular attention to the improvements needed at the
21	State and local levels; and
22	"(3) describe the involvement of States in the
23	development of the plan, pursuant to a process es-
24	tablished by the Secretary in cooperation with the
25	States in accordance with subsection (d).

1	"(e) Coordination With the States.—The Sec-
2	retary, working though the Bureau of Labor Statistics and
3	in coordination with the Employment and Training Ad-
4	ministration, shall consult at least annually with rep-
5	resentatives of each of the 10 Federal regions of the De-
6	partment of Labor, elected (pursuant to a process estab-
7	lished by the Secretary) by and from the State workforce
8	and labor market information directors affiliated with the
9	State agencies that perform the duties described in sub-
10	section $(e)(2)$ .";
11	(6) in subsection $(e)(2)$ —
12	(A) in subparagraph (G), by adding "and"
13	at the end;
14	(B) by striking subparagraph (H); and
15	(C) by redesignating subparagraph (I) as
16	subparagraph (H); and
17	(7) in subsection (g), by striking "1999 through
18	2004" and inserting "2004 through 2009 to enable
19	the Secretary to carry out the provisions of this sec-
20	tion through grants or cooperative agreements with
21	the States".

## 1 TITLE IV—REHABILITATION ACT 2 AMENDMENTS

2	AMENDMENTS
3	SEC. 401. SHORT TITLE.
4	This title may be eited as the "Rehabilitation Act
5	Amendments of 2003".
6	SEC. 402. TECHNICAL AMENDMENTS TO TABLE OF CON-
7	TENTS.
8	(a) INCENTIVE GRANTS.—Section 1(b) of the Reha-
9	bilitation Act of 1973 (29 U.S.C. 701 note) is amended
10	by inserting after the item relating to section 112 the fol-
11	lowing:
	"Sec. 113. Incentive grants.".
12	(b) INDEPENDENT LIVING SERVICES FOR OLDER IN-
13	DIVIDUALS WHO ARE BLIND.—Section 1(b) of the Reha-
14	bilitation Act of 1973 (29 U.S.C. 701 note) is amended
15	by striking the items relating to sections 752 and 753 and
16	inserting the following:
	"Sec. 752. Training and technical assistance. "Sec. 753. Program of grants. "Sec. 754. Authorization of appropriations.".
17	SEC. 403. PURPOSE.
18	Section 2(b) of the Rehabilitation Act of 1973 (29
19	U.S.C. 701(b)) is amended—
20	(1) in paragraph (1)(F), by striking "and"
21	after the semicolon;
22	(2) in paragraph (2), by striking the period at
23	the end and inserting "; and"; and

1	(3) by adding at the end the following:
2	"(3) to provide opportunities for employers and
3	rehabilitation service providers to provide meaningful
4	input at all levels of government to ensure successful
5	employment of individuals with disabilities.".
6	SEC. 404. DEFINITIONS.
7	Section 7 of the Rehabilitation Act of 1973 (29
8	U.S.C. 705) is amended—
9	(1) in paragraph $(2)(B)$ —
10	(A) in the matter preceding clause (i), by
11	inserting "and literacy services" after "sup-
12	ported employment"; and
13	(B) in clause (iii), by inserting "and lit-
14	eracy skills" after "educational achievements";
15	(2) in paragraph (17)—
16	(A) in subparagraph (C), by striking
17	"and" after the semicolon;
18	(B) in subparagraph (D), by striking the
19	period at the end and inserting "; and"; and
20	(C) by adding at the end the following:
21	"(E) maintaining individuals with disabil-
22	ities in, or transitioning individuals with disabil-
23	ities to, community-based living.";
24	(3) by redesignating paragraphs (24) through
25	(28), (29) through (34), and (35) through (39), as

1	paragraphs (25) through (29), (31) through (36)
2	and (38) through (42), respectively;
3	(4) by inserting after paragraph (23) the fol-
4	lowing:
5	"(24) LITERACY.—The term 'literacy' has the
6	meaning given the term in section 203 of the Adult
7	Education and Family Literacy Act (20 U.S.C.
8	<del>9202).";</del>
9	(5) by inserting after paragraph (29), as redes-
10	ignated by paragraph (3), the following:
11	"(30) Post-employment service.—The term
12	'post-employment' service means a service identified
13	in section 103(a) that is—
14	"(A) provided subsequent to the achieve-
15	ment of an employment outcome; and
16	"(B) necessary for an individual to main-
17	tain, regain, or advance in employment, con-
18	sistent with the individual's strengths, re-
19	sources, priorities, concerns, abilities, capabili-
20	ties, interests, and informed choice.";
21	(6) by inserting after paragraph (36), as redes-
22	ignated by paragraph (3), the following:
23	"(37) Student with a disability.—
24	"(A) In GENERAL.—The term 'student
25	with a disability' means an individual with a

1	disability who attends an elementary school or
2	secondary school and who—
3	"(i) is not younger than 14 years of
4	<del>age;</del>
5	"(ii) is not older than 21 years of age;
6	"(iii) has been determined to be eligi-
7	ble under section 102(a) for assistance
8	under title I; and
9	"(iv)(I) is eligible for, and receiving,
10	special education and related services
11	under part B of the Individuals with Dis-
12	abilities Education Act (20 U.S.C. 1411 et
13	<del>seq.);</del> or
14	"(II) is an individual with a disability,
15	for purposes of section 504.
16	"(B) STUDENTS WITH DISABILITIES.—The
17	term 'students with disabilities' means more
18	than 1 student with a disability."; and
19	(7) in paragraph (38)(A)(ii), as redesignated by
20	paragraph (3), by striking "paragraph (36)(C)" and
21	inserting "paragraph (39)(C)".
22	SEC. 405. ADMINISTRATION OF THE ACT.
23	Section 12(a)(1) of the Rehabilitation Act of 1973
24	(29 U.S.C. 709(a)(1)) is amended—
25	(1) by inserting "(A)" after "(1)";

1	(2) by striking the semicolon and inserting ";
2	and"; and
3	(3) by adding at the end the following:
4	"(B) provide technical assistance to the des-
5	ignated State units on developing successful partner-
6	ships with employers;".
7	SEC. 406. CARRYOVER.
8	Section 19 of the Rehabilitation Act of 1973 (29
9	U.S.C. 716) is amended—
10	(1) in subsection $(a)(1)$ —
11	(A) by striking ", section 509 (except as
12	provided in section 509(b))";
13	(B) by striking "or (C)"; and
14	(C) by striking "752(b)" and inserting
15	"753(b)"; and
16	(2) by adding at the end the following:
17	"(c) Protection and Advocacy of Individual
18	RIGHTS.—
19	"(1) APPROPRIATED AMOUNTS.—Notwith-
20	standing any other provision of law, any funds ap-
21	propriated for a fiscal year to carry out a grant pro-
22	gram under section 509 (except as provided in sec-
23	tion 509(b)), including any funds reallotted under
24	such grant program, that are not obligated and ex-
25	pended by recipients prior to the beginning of the

1	succeeding fiscal year shall remain available for obli-
2	gation and expenditure by such recipients during
3	such succeeding fiscal year.
4	"(2) Program income.—Notwithstanding any
5	other provision of law, any amounts of program in-
6	come received by recipients under a grant program
7	under section 509 that are not obligated and ex-
8	pended by recipients prior to the beginning of the
9	fiscal year succeeding the fiscal year in which such
10	amounts were received, shall remain available for ob-
11	ligation and expenditure by such recipients during
12	any of the 4 succeeding fiscal years.".
13	Subtitle A—Vocational
14	Rehabilitation Services
15	SEC. 411. DECLARATION OF POLICY; AUTHORIZATION OF
16	APPROPRIATIONS.
17	Section 100(b)(1) of the Rehabilitation Act of 1973
18	(29 U.S.C. 720(b)(1)) is amended by striking "fiscal years
19	1999 through 2003" and inserting "fiscal years 2004
20	through 2009".
21	SEC. 412. STATE PLANS.
22	Section 101(a) of the Rehabilitation Act of 1973 (29

1	(1) in paragraph (6)(B), by striking "to employ
2	and advance in employment" and inserting "to re-
3	eruit, employ, and advance in employment";
4	(2) in paragraph (8)(A), by adding at the end
5	the following:
6	"(iii) Services identified in indi-
7	VIDUALIZED WORK PLAN.—For purposes
8	of clause (i), for an individual who receives
9	assistance under the Ticket to Work and
10	Self-Sufficiency Program established under
11	section 1148 of the Social Security Act (42
12	U.S.C. 1320b-19), comparable benefits
13	and services available under such program
14	only include those benefits and services
15	identified in the individual's individualized
16	work plan developed by an employment
17	network pursuant to such section.";
18	(3) in paragraph (11)—
19	(A) by striking subparagraph (D)(ii) and
20	inserting the following:
21	"(ii) transition planning by personnel
22	of the designated State agency and the
23	State educational agency that will facilitate
24	the development and completion of the in-
25	dividualized education programs under sec-

1	tion 614(d) of the Individuals with Disabil-
2	ities Education Act (20 U.S.C. 1414(d))
3	and, as appropriate, the development and
4	completion of the individualized plan for
5	employment, in order to achieve post-
6	school employment outcomes of students
7	with disabilities;"; and
8	(B) by adding at the end the following:
9	"(G) COORDINATION WITH TICKET TO
10	WORK AND SELF-SUFFICIENCY PROGRAM.—The
11	State plan shall provide that the designated
12	State unit will coordinate activities with any
13	other State agency that administers a Ticket to
14	Work and Self-Sufficiency Program established
15	under section 1148 of the Social Security Act
16	(42 U.S.C. 1320b-19)."; and
17	(4) in paragraph (20)—
18	(A) by redesignating subparagraph (B) as
19	subparagraph (D);
20	(B) by inserting after subparagraph (A)
21	the following:
22	"(B) Information on assistance for
23	BENEFICIARIES OF ASSISTANCE UNDER TITLE
24	H OR XVI OF THE SOCIAL SECURITY ACT.—The
25	State plan shall include an assurance that the

1	designated State agency will make available to
2	individuals entitled to benefits under title H or
3	XVI of the Social Security Act (42 U.S.C. 401
4	et seq., 1381 et seq.) on the basis of a disability
5	or blindness, information on the availability
6	<del>of</del>
7	"(i) medical assistance under the
8	State medicaid program under title XIX of
9	the Social Security Act (42 U.S.C. 1396 et
10	<del>seq.);</del>
11	"(ii) benefits under the medicare pro-
12	gram under title XVIII of the Social Secu-
13	rity Act (42 U.S.C. 1395 et seq.);
14	"(iii) assistance through benefits plan-
15	ning and assistance programs under sec-
16	tion 1149 of the Social Security Act (42
17	U.S.C. 1320b-20) and protection and ad-
18	vocacy programs under section 1150 of the
19	Social Security Act (42 U.S.C. 1320b-21);
20	and
21	"(iv) medical assistance under other
22	federally-funded programs.
23	"(C) Information for individuals
24	UNDER THE TICKET TO WORK PROGRAM.—The
25	State plan shall include an assurance that the

1	designated State agency will make available to
2	individuals entitled to benefits under title H or
3	XVI of the Social Security Act (42 U.S.C. 401
4	et seq., 1381 et seq.) on the basis of a disability
5	or blindness and eligible for assistance under
6	the Ticket to Work and Self-Sufficiency Pro-
7	gram established under section 1148 of the So-
8	cial Security Act (42 U.S.C. 1320b-19), gen-
9	eral information regarding the Ticket to Work
10	and Self-Sufficiency Program and specific infor-
11	mation on how to contact the program manager
12	of the Ticket to Work and Self-Sufficiency Pro-
13	gram to obtain information on approved em-
14	ployment networks."; and
15	(C) in subparagraph (D)(ii), as redesig-
16	nated by subparagraph (A)—
17	(i) in subclause (II), by inserting ", to
18	the maximum extent possible," after
19	"point of contact"; and
20	(ii) in subclause (III), by striking "or
21	regain" and inserting "regain, or advance
22	<del>in''.</del>

1	SEC. 413. ELIGIBILITY AND INDIVIDUALIZED PLAN FOR EM-
2	PLOYMENT.
3	Section 102 of the Rehabilitation Act of 1973 (29
4	U.S.C. 722) is amended—
5	(1) in subsection (b)—
6	(A) in paragraph (1)—
7	(i) in subparagraph (A), by striking
8	the semicolon at the end and inserting ",
9	including a listing of all the community re-
10	sources (including resources from organiza-
11	tions of individuals with disabilities), to the
12	maximum extent possible, to assist in the
13	development of such individual's individual-
14	ized plan for employment to enable the in-
15	dividual to make informed and effective
16	choices in developing the individualized
17	plan for employment;"; and
18	(ii) in subparagraph (D)—
19	(I) in clause (i), by striking
20	"and" after the semicolon;
21	(II) in clause (ii), by striking the
22	period at the end and inserting a
23	semicolon; and
24	(III) by adding at the end the
25	following:

1	"(iii) for individuals entitled to benefits
2	under title H or XVI of the Social Security Act
3	(42 U.S.C. 401 et seq., 1381 et seq.) on the
4	basis of a disability or blindness, information on
5	the availability of—
6	"(I) medical assistance under the
7	State medicaid program under title XIX of
8	the Social Security Act (42 U.S.C. 1396 et
9	$\frac{\text{seq.}}{;}$
10	"(II) benefits under the medicare pro-
11	gram under title XVIII of the Social Secu-
12	rity Act (42 U.S.C. 1395 et seq.);
13	"(III) assistance through benefits
14	planning and assistance programs under
15	section 1149 of the Social Security Act (42
16	U.S.C. 1320b-20) and protection and ad-
17	vocacy programs under section 1150 of the
18	Social Security Act (42 U.S.C. 1320b-21);
19	and
20	"(IV) medical assistance under other
21	federally-funded programs; and
22	"(iv) for individuals entitled to benefits
23	under title H or XVI of the Social Security Act
24	(42 U.S.C. 401 et seq., 1381 et seq.) on the
25	basis of a disability or blindness and eligible for

1	assistance under the Ticket to Work and Self-
2	Sufficiency Program established under section
3	1148 of the Social Security Act (42 U.S.C.
4	1320b-19), information—
5	"(I) on the options under the Ticket
6	to Work and Self-Sufficiency Program; and
7	"(II) on how to contact the program
8	manager of the Ticket to Work and Self-
9	Sufficiency Program who has contact in-
10	formation on approved employment net-
11	works, the benefits planning and assistance
12	programs in the area, and the protection
13	and advocacy programs in the area.";
14	(B) in paragraph $(2)(E)$ —
15	(i) in clause (i)(II), by striking "and"
16	after the semicolon;
17	(ii) in clause (ii), by striking the pe-
18	riod at the end and inserting "; and"; and
19	(iii) by adding at the end the fol-
20	lowing:
21	"(iii) amended, as necessary, to in-
22	elude the post-employment services and
23	service providers that are necessary for the
24	individual to maintain, regain, or advance
25	in employment, consistent with the individ-

1	ual's strengths, resources, priorities, con-
2	cerns, abilities, capabilities, interests, and
3	informed choice."; and
4	(C) in paragraph (3)—
5	(i) in subparagraph (B)(i)(I), by strik-
6	ing "and personal assistance services" and
7	inserting "mentoring services, and personal
8	assistance services";
9	(ii) in subparagraph (F)(ii), by strik-
10	ing "and" after the semicolon;
11	(iii) in subparagraph (G), by striking
12	the period at the end and inserting a semi-
13	colon; and
14	(iv) by adding at the end the fol-
15	<del>lowing:</del>
16	"(H) for a student with a disability, the
17	description—
18	"(i) in paragraph $(3)(A)$ , may be a
19	description of the student's projected post-
20	school employment outcome; and
21	"(ii) in paragraph (3)(B), shall in-
22	elude the specific transition services (in-
23	eluding, as appropriate, work experience
24	and mentoring activities) needed to achieve

1	the student's employment outcome or pro-
2	jected employment outcome; and
3	"(I) for an individual who is receiving as-
4	sistance under the Ticket to Work and Self-Suf-
5	ficiency Program established under section
6	1148 of the Social Security Act (42 U.S.C.
7	1320b-19), a list of services such individual re-
8	ceives from an employment network other than
9	the designated State unit."; and
10	(2) in subsection $(e)(7)$ , by inserting "that take
11	into consideration the informed choice of the indi-
12	vidual," after "plan development,".
13	SEC. 414. VOCATIONAL REHABILITATION SERVICES.
14	Section 103(a) of the Rehabilitation Act of 1973 (29
15	U.S.C. 723(a)) is amended—
16	(1) in paragraph (5), by inserting "literacy
17	services," after "vocational adjustment services,";
18	(2) in paragraph (17), by striking "and" after
19	the semicolon;
20	(3) in paragraph (18), by striking the period at
21	the end and inserting "; and"; and
22	(4) by adding at the end the following:
23	"(19) mentoring services.".

### 1 SEC. 415. STATE REHABILITATION COUNCIL.

- 2 Section 105(b)(1)(A)(ix) of the Rehabilitation Act of
- 3 1973 (29 U.S.C. 725(b)(1)(A)(ix)) is amended to read as
- 4 follows:
- 5 "(ix) in a State in which 1 or more
- 6 projects provide services under section 121,
- 7 not less than 1 representative of the direc-
- 8 tors of the projects;".

#### 9 SEC. 416. EVALUATION STANDARDS AND PERFORMANCE

- 10 **INDICATORS.**
- 11 Section 106(b)(2)(B)(i) of the Rehabilitation Act of
- 12 1973 (29 U.S.C. 726(b)(2)(B)(i)) is amended by striking
- 13 ", if necessary" and all that follows through the semicolon
- 14 and inserting "if the State has not improved its perform-
- 15 ance to acceptable levels, as determined by the Commis-
- 16 sioner, direct the State to make further revisions to the
- 17 plan to improve performance, which may include allocating
- 18 a higher proportion of the State's resources for services
- 19 to individuals with disabilities if the State's spending on
- 20 such services is low in comparison to spending on such
- 21 services in comparable agencies in other States;".
- 22 SEC. 417. STATE ALLOTMENTS.
- Section 110 of the Rehabilitation Act of 1973 (29)
- 24 U.S.C. 730) is amended—
- 25 (1) by striking subsection (b) and inserting the
- 26 following:

### "(b) REALLOTMENT.

"(1) DETERMINATION.—Not later than 45 days prior to the end of the fiscal year, the Commissioner shall determine, after reasonable opportunity for the submission to the Commissioner of comments by the State agency administering or supervising the program established under this title, that any payment of an allotment to a State under section 111(a) for any fiscal year will not be utilized by such State in carrying out the purposes of this title.

#### "(2) FORMULA.—

"(A) IN GENERAL.—As soon as practicable but not later than the end of the fiscal year, the Commissioner shall reallot the amount available under paragraph (1) to other States, consistent with subparagraphs (B) and (C), for earrying out the purposes of this title to the extent the Commissioner determines such other State will be able to use such additional amount during that fiscal year or the subsequent fiscal year for earrying out such purposes.

#### "(B) FORMULA.—

"(i) ELIGIBLE STATES.—The Commissioner shall reallot the amount available under paragraph (1) for a fiscal year to

1	each State whose allotment under sub-
2	section (a) for such fiscal year is less than
3	such State's allotment under subsection (a)
4	for the immediately preceding fiscal year
5	increased by the percentage change in the
6	funds available for subsection (a) from the
7	immediately preceding fiscal year.
8	"(ii) Amount.—
9	"(I) IN GENERAL.—A State that
10	is eligible to receive a reallotment
11	<del>under clause (i) shall receive an</del>
12	amount for a fiscal year from the
13	amount available for reallotment
14	under paragraph (1) that is equal to
15	the difference between—
16	"(aa) the amount such State
17	received for such fiscal year; and
18	"(bb) the amount such State
19	was allotted under subsection (a)
20	for the immediately preceding fis-
21	cal year adjusted by the percent-
22	age change in the funds available
23	for subsection (a) from the im-
24	mediately preceding fiscal year.

1	"(II) Insufficient funds.—If
2	the amount available for reallotment
3	under paragraph (1) is insufficient to
4	provide each State eligible to receive a
5	reallotment with the amount described
6	in subclause (I), the amount reallotted
7	to each eligible State shall be deter-
8	mined by the Commissioner.
9	"(C) REMAINING FUNDS.—If there are
10	funds remaining after each State eligible to re-
11	ceive a reallotment under subparagraph (B)(i)
12	receives the amount described in subparagraph
13	(B)(ii), the Commissioner shall reallot the re-
14	maining funds among the States requesting a
15	reallotment.
16	"(3) Non-federal share.—The Commis-
17	sioner shall reallot an amount to a State under this
18	subsection only if the State will be able to make suf-
19	ficient payments from non-Federal sources to pay
20	for the non-Federal share of the cost of vocational
21	rehabilitation services under the State plan for the
22	fiscal year for which the amount was appropriated.
23	"(4) INCREASE IN ALLOTMENT.—For the pur-
24	poses of this part, any amount made available to a
25	State for any fiscal year pursuant to this subsection

1	shall be regarded as an increase of such State's al-
2	lotment (as determined under the preceding provi-
3	sions of this section) for such year."; and
4	(2) by striking subsection (e)(2) and inserting
5	the following:
6	"(2)(A) In this paragraph:
7	"(i) The term 'appropriated amount' means the
8	amount appropriated under section 100(b)(1) for al-
9	lotment under this section.
10	"(ii) The term 'covered year' means a fiscal
11	<del>year </del>
12	"(I) that begins after September 30, 2003
13	and
14	"(II) for which the appropriated amount
15	exceeds the total of—
16	"(aa) the appropriated amount for the
17	preceding fiscal year; and
18	"(bb) 0.1 percent of the appropriated
19	amount for the preceding fiscal year.
20	"(B) For each covered year, the sum referred to in
21	paragraph (1) shall be, as determined by the Secretary,
22	the lesser of—
23	"(i) the total of the sum reserved under this
24	subsection for the preceding fiscal year and 0.1 per-

1	cent of the appropriated amount for the covered
2	<del>year; and</del>
3	"(ii) 1.5 percent of the appropriated amount for
4	the covered year.".
5	SEC. 418. CLIENT ASSISTANCE PROGRAM.
6	Section 112 of the Rehabilitation Act of 1973 (29
7	U.S.C. 732) is amended—
8	(1) in subsection (a), by striking "States" and
9	inserting "agencies designated under subsection
10	<del>(e)'';</del>
11	(2) in subsection (e)—
12	(A) in paragraph (1)—
13	(i) in subparagraph (A), by striking
14	"The Secretary" and all that follows
15	through the period and inserting the fol-
16	lowing: "After reserving funds under sub-
17	paragraphs (E) and (F), the Secretary
18	shall allot the remainder of the sums ap-
19	propriated for each fiscal year under this
20	section among the agencies designated
21	under subsection (e) within the States on
22	the basis of relative population of each
23	State, except that no such agency shall re-
24	eeive less than \$50,000.";

1	(ii) in subparagraph (B), by inserting
2	"the designated agencies located in" after
3	"each to";
4	(iii) in subparagraph (D)(i)—
5	(I) by inserting "the designated
6	agencies located in" after "\$100,000
7	for"; and
8	(H) by inserting "the designated
9	agencies located in" after "\$45,000
10	for"; and
11	(iv) by adding at the end the fol-
12	lowing:
13	"(E)(i) Beginning on October 1, 2004, for any fiscal
14	year for which the amount appropriated to earry out this
15	section equals or exceeds \$13,000,000, the Secretary shall
16	reserve funds appropriated under this section to make
17	grants to the protection and advocacy system serving the
18	American Indian Consortium to provide elient assistance
19	services in accordance with this section. The amount of
20	such grants shall be the same amount as provided to terri-
21	tories under subparagraph (B), as increased under clauses
22	(i) and (ii) of subparagraph (D).
23	"(ii) In this subparagraph:
24	"(I) The term 'American Indian Consortium'
25	has the meaning given the term in section 102 of the

1	Developmental Disabilities Assistance and Bill of
2	Rights Act of 2000 (42 U.S.C. 15002).
3	"(II) The term 'protection and advocacy sys-
4	tem' means a protection and advocacy system estab-
5	lished under subtitle C of title I of the Develop-
6	mental Disabilities Assistance and Bill of Rights Act
7	of 2000 (42 U.S.C. 15041 et seq.).
8	"(F) For any fiscal year for which the amount appro-
9	priated to earry out this section equals or exceeds
10	\$14,000,000, the Secretary shall reserve not less than 1.8
11	percent and not more than 2.2 percent of such amount
12	to provide training and technical assistance to the pro-
13	grams established under this section. Such training and
14	technical assistance shall be coordinated with funds avail-
15	able under section $509(e)(1)(A)$ .";
16	(B) in paragraph (2)—
17	(i) by striking "State" each place
18	such term appears and inserting "des-
19	ignated agency"; and
20	(ii) by striking "States" each place
21	such term appears and inserting "des-
22	ignated agencies"; and
23	(C) in paragraph (3), by striking "Except
24	as specifically prohibited by or as otherwise pro-

1	vided in State law, the Secretary shall pay" and
2	inserting "The Secretary shall pay directly";
3	(3) in subsection (f), by striking "State" and
4	inserting "agency designated under subsection (e)";
5	and
6	(4) in subsection (h), by striking "fiscal years
7	1999 through 2003" and inserting "fiscal years
8	2004 through 2009".
9	SEC. 419. INCENTIVE GRANTS.
10	Part B of title I of the Rehabilitation Act of 1973
11	(29 U.S.C. 730 et seq.) is amended by adding at the end
12	the following:
13	"SEC. 113. INCENTIVE GRANTS.
14	"(a) Authority.—The Commissioner is authorized
15	to make incentive grants to States that, based on the eri-
16	teria established under subsection (b)(1), demonstrate—
17	"(1) a high level of performance; or
18	"(2) a significantly improved level of perform-
19	ance as compared to the previous reporting period or
20	<del>periods.</del>
21	<del>"(b)</del> <del>Criteria.</del>
22	"(1) Establishment.—Not later than 180
23	days after the date of enactment of this section, the
24	Commissioner shall establish, and publish in the

1	Federal Register, criteria for making grant awards
2	under subsection (a).
3	"(2) Development and evaluation stand-
4	ARDS.—The criteria under paragraph (1) shall—
5	"(A) be developed with input from State
6	vocational rehabilitation agencies and other vo-
7	cational rehabilitation stakeholders, including
8	vocational rehabilitation consumers and con-
9	sumer organizations; and
10	"(B) be based upon the evaluation stand-
11	ards and performance indicators established
12	under section 106 and other performance re-
13	lated measures that the Commissioner deter-
14	mines to be appropriate.
15	"(c) USE OF FUNDS.—A State that receives a grant
16	under subsection (a) shall use the grant funds for any ap-
17	proved activities in the State's State plan submitted under
18	section 101.
19	"(d) No Non-Federal Share Requirement.—
20	The provisions of sections 101(a)(3) and 111(a)(2) shall
21	not apply to this section.
22	"(e) AUTHORIZATION OF APPROPRIATIONS.—There
23	are authorized to be appropriated to earry out this section
24	such sums as may be necessary for each of fiscal years
25	2004 through 2009.".

1	SEC. 420. VOCATIONAL REHABILITATION SERVICES
2	GRANTS.
3	Section 121 of the Rehabilitation Act of 1973 (29
4	U.S.C. 741) is amended—
5	(1) in subsection (a), in the first sentence, by
6	inserting ", consistent with such individuals"
7	strengths, resources, priorities, concerns, abilities,
8	capabilities, interests, and informed choice, so that
9	such individuals may prepare for, and engage in,
10	gainful employment" before the period at the end;
11	and
12	(2) in subsection (b)—
13	(A) in paragraph (1)—
14	(i) in subparagraph (B), by striking
15	"and" after the semicolon;
16	(ii) in subparagraph (C), by striking
17	the period at the end and inserting ";
18	and"; and
19	(iii) by adding at the end the fol-
20	<del>lowing:</del>
21	"(D) contains assurances that—
22	"(i) all decisions affecting eligibility for vo-
23	cational rehabilitation services, the nature and
24	scope of available services, and the provision of
25	such services, will be made by a representative

1	of the tribal vocational rehabilitation program;
2	and
3	"(ii) such decisions will not be delegated to
4	another agency or individual.";
5	(B) in paragraph (3), by striking the first
6	sentence and inserting the following: "An appli-
7	cation approved under this part that complies
8	with the program requirements set forth in the
9	regulations promulgated to carry out this part
10	shall be effective for 5 years and shall be re-
11	newed for additional 5-year periods if the Com-
12	missioner determines that the grantee dem-
13	onstrated acceptable past performance and the
14	grantee submits a plan, including a proposed
15	budget, to the Commissioner that the Commis-
16	sioner approves that identifies future perform-
17	ance criteria, goals, and objectives."; and
18	(C) by striking paragraph (4) and insert-
19	ing the following:
20	"(4) In allocating funds under this part, the Sec-
21	retary shall give priority to paying the continuation costs
22	of existing projects and may provide for increases in fund-
23	ing for such projects as determined necessary.".
24	SEC. 421. GAO STUDIES.
25	(a) STUDY ON TITLE I AND TICKET TO WORK.—

- (1) IN GENERAL.—The Comptroller General of the United States shall conduct a study on the inter-action of title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) with the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b-19), including the impact of the interaction on bene-ficiaries, community rehabilitation programs, and State vocational rehabilitation agencies.
  - (2) Conduct of Study.—In conducting the study under paragraph (1), the Comptroller General of the United States shall consult with all participants in the Ticket to Work and Self-Sufficiency Program, including the Social Security Administration, the Rehabilitation Services Administration, ticketholders, State agencies, community rehabilitation programs (including employment networks and nonemployment networks), protection and advocacy agencies, MAXIMUS, and organizations representing the interests of ticketholders.
  - (3) REPORT TO CONGRESS.—Not later than 18 months after the date of enactment of this title, the Comptroller General of the United States shall submit the study conducted pursuant to this subsection to the appropriate committees of Congress.

1	(b) STUDY ON THE ALLOTMENT FORMULA.—
2	(1) In General.—The Comptroller General of
3	the United States shall conduct a study on the rela-
4	tionship between the State allotment formula under
5	section 110 of the Rehabilitation Act of 1973 (29
6	U.S.C. 730) and the ability of States to provide vo-
7	cational rehabilitation services in accordance with
8	the State's State plan under section 101 of such
9	Act.
10	(2) Conduct of Study.—In conducting the
11	study under paragraph (1), the Comptroller General
12	of the United States shall consult with appropriate
13	entities.
14	(3) REPORT TO CONGRESS.—Not later than 12
15	months after the date of enactment of this title, the
16	Comptroller General of the United States shall sub-
17	mit the study conducted pursuant to this subsection
18	to the appropriate committees of Congress.
19	Subtitle B—Research and Training
20	SEC. 431. AUTHORIZATION OF APPROPRIATIONS.
21	Section 201(a) of the Rehabilitation Act of 1973 (29)
22	U.S.C. 761(a)) is amended—
23	(1) in paragraph (1), by striking "fiscal years
24	1999 through 2003" and inserting "fiscal years
25	2004 through 2009": and

1	(2) in paragraph (2), by striking "fiscal years
2	1999 through 2003" and inserting "fiscal years
3	2004 through 2009".
4	SEC. 432. NATIONAL INSTITUTE ON DISABILITY AND REHA
5	BILITATION RESEARCH.
6	Section 202(f)(1) of the Rehabilitation Act of 1973
7	(29 U.S.C. 762(f)(1)) is amended by striking "Federal
8	employees" and inserting "Department of Education em-
9	ployees".
10	SEC. 433. RESEARCH AND OTHER COVERED ACTIVITIES.
11	Section 204(c)(2) of the Rehabilitation Act of 1973
	Section 204(c)(2) of the Rehabilitation Act of 1973 (29 U.S.C. 764(c)(2)) is amended by striking "\$500,000"
12	(29 U.S.C. 764(e)(2)) is amended by striking "\$500,000"
12 13	(29 U.S.C. 764(e)(2)) is amended by striking "\$500,000" and inserting "\$750,000".
12 13 14	(29 U.S.C. 764(e)(2)) is amended by striking "\$500,000" and inserting "\$750,000".  SEC. 434. REHABILITATION RESEARCH ADVISORY COUNCIL
12 13 14 15	(29 U.S.C. 764(e)(2)) is amended by striking "\$500,000" and inserting "\$750,000".  SEC. 434. REHABILITATION RESEARCH ADVISORY COUNCIL.  Section 205(e) of the Rehabilitation Act of 1973 (29)

19 vocational rehabilitation system and hiring individuals

20 with disabilities.".

### 1 Subtitle C—Professional Development and Special Projects and 2 **Demonstrations** 3 SEC. 441. TRAINING. 5 Section 302 of the Rehabilitation Act of 1973 (29) U.S.C. 772) is amended— 7 (1) in subsection (b)(1)(B)(i), by striking "or 8 prosthetics and orthotics" and inserting "prosthetics 9 and orthotics, rehabilitation for the blind, or orienta-10 tion and mobility instruction"; and 11 (2) in subsection (i), by striking "fiscal years 12 1999 through 2003" and inserting "fiscal years 13 2004 through 2009". SEC. 442. DEMONSTRATION AND TRAINING PROGRAMS. 15 Section 303 of the Rehabilitation Act of 1973 (29) U.S.C. 773) is amended 17 (1) by redesignating subsection (e) as sub-18 section (f); 19 (2) in subsection (f), as redesignated by para-20 graph (1), by striking "fiscal years 1999 through 21 2003" and inserting "fiscal years 2004 through 22 2009"; and 23 (3) by inserting after subsection (d) the fol-24 lowing: 25 "(e) Access to Telework.—

"(1) DEFINITION OF TELEWORK.—In this subsection, the term 'telework' means to work from
home and other telework sites with the assistance of
a computer and with reasonable accommodations, including the necessary equipment to facilitate successful work from home and other telework sites.

"(2) AUTHORIZATION OF PROGRAM.—The Commissioner is authorized to make grants to States and governing bodies of American Indian tribes located on Federal and State reservations (and consortia of such governing bodies) to pay for the Federal share of the cost of establishing or expanding a telework program.

"(3) APPLICATION.—A State that desires to receive a grant under this subsection shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require.

"(4) USE OF FUNDS.—A State that receives a grant under this subsection shall establish or expand a telework program that shall provide loans or other alternative financing mechanisms to individuals with disabilities to enable such individuals to purchase computers or other equipment, including adaptive equipment, that facilitates work from home and

1	other telework sites so that such individuals are able
2	to telework.
3	"(5) Annual Report.—
4	"(A) In General.—A State that receives
5	a grant under this subsection shall submit an
6	annual report to the Commissioner.
7	"(B) Contents.—The report under sub-
8	paragraph (A) shall include the following:
9	"(i) The characteristics of each indi-
10	vidual with a disability that receives a loan
11	or other alternative financing mechanism
12	under the program, including information
13	about the individual such as the following:
14	``(I) Age.
15	"(H) Ethnicity.
16	"(III) Type of disability.
17	"(IV) Employment status at the
18	time of application for a loan or other
19	alternative financing mechanism
20	under this subsection.
21	"(V) Whether the individual at-
22	tempted to secure financial support
23	from other sources to enable the indi-
24	vidual to telework and, if so, a de-
25	scription of such sources.

1	"(VI) Whether the individual is
2	working and, if so, whether the indi-
3	vidual teleworks, the occupation in
4	which the individual is working, the
5	hourly salary the individual receives,
6	and the hourly salary of the individual
7	prior to receiving a loan or other al-
8	ternative financing mechanism under
9	the program.
10	"(VII) Whether the individual
11	has repaid the loan or other alter-
12	native financing mechanism received
13	under the program, is in repayment
14	status, is delinquent on repayments,
15	or has defaulted on the loan or other
16	alternative financing mechanism.
17	"(ii) Any other information that the
18	Commissioner may require.
19	"(6) FEDERAL SHARE.—The Federal share of
20	the cost of establishing a telework program shall be
21	10 percent of the cost.".
22	SEC. 443. MIGRANT AND SEASONAL FARMWORKERS.
23	Section 304(b) of the Rehabilitation Act of 1973 (29
24	U.S.C. 774(b)) is amended by striking "fiscal years 1999

1	through 2003" and inserting "fiscal years 2004 through
2	<del>2009".</del>
3	SEC. 444. RECREATIONAL PROGRAMS.
4	Section 305 of the Rehabilitation Act of 1973 (29
5	U.S.C. 775) is amended—
6	(1) in subsection (a)(1)(B), by striking "con-
7	struction of facilities for aquatic rehabilitation ther-
8	apy,"; and
9	(2) in subsection (b), by striking "fiscal years
10	1999 through 2003" and inserting "fiscal years
11	2004 through 2009".
12	Subtitle D—National Council on
13	<b>Disability</b>
14	SEC. 451. AUTHORIZATION OF APPROPRIATIONS.
15	Section 405 of the Rehabilitation Act of 1973 (29
16	U.S.C. 785) is amended by striking "fiscal years 1999
17	through 2003" and inserting "fiscal years 2004 through
18	<del>2009".</del>
19	Subtitle E—Rights and Advocacy
20	SEC. 461. ARCHITECTURAL AND TRANSPORTATION BAR-
21	RIERS COMPLIANCE BOARD.
22	Section 502(j) of the Rehabilitation Act of 1973 (29
23	U.S.C. 792(j)) is amended by striking "fiscal years 1999
24	through 2003" and inserting "fiscal years 2004 through
25	2009"

1	SEC. 462. PROTECTION AND ADVOCACY OF INDIVIDUAL
2	RIGHTS.
3	Section 509 of the Rehabilitation Act of 1973 (29
4	U.S.C. 794e) is amended—
5	(1) in subsection (g)(2), by striking "was paid"
6	and inserting "was paid, except that program in-
7	come generated from the amount paid to an eligible
8	system shall remain available to such system for ob-
9	ligation during any succeeding fiscal year"; and
10	(2) in subsection (l), by striking "fiscal years
11	1999 through 2003" and inserting "fiscal years
12	2004 through 2009".
13	Subtitle F—Employment Opportu-
14	nities for Individuals With Dis-
15	<del>abilities</del>
16	SEC. 471. PROJECTS WITH INDUSTRY AUTHORIZATION OF
17	APPROPRIATIONS.
18	Section 612 of the Rehabilitation Act of 1973 (29
19	U.S.C. 795a) is amended by striking "fiscal years 1999
20	through 2003" and inserting "fiscal years 2004 through
21	<del>2009".</del>
22	SEC. 472. SERVICES FOR INDIVIDUALS WITH SIGNIFICANT
23	DISABILITIES AUTHORIZATION OF APPRO-
24	
	PRIATIONS.
25	Section 628 of the Rehabilitation Act of 1973 (29)

- 1 through 2003" and inserting "fiscal years 2004 through
- 2 2009".

# Subtitle G—Independent Living

### 4 Services and Centers for Inde-

# 5 pendent Living

- 6 SEC. 481. STATE PLAN.
- 7 Section 704 of the Rehabilitation Act of 1973 (42)
- 8 U.S.C. 795c) is amended by adding at the end the fol-
- 9 lowing:
- 10 "(o) Promoting Full Access to Community
- 11 Life.—The plan shall describe how the State will provide
- 12 independent living services that promote full access to
- 13 community life for individuals with significant disabilities.
- 14 The services shall include, as appropriate, facilitating
- 15 transitions from nursing homes and other institutions, in-
- 16 cluding institutions serving individuals with cognitive dis-
- 17 abilities, to community-based residences, assisting individ-
- 18 uals with significant disabilities at risk of entering institu-
- 19 tions to remain in the community, and promoting home
- 20 <del>ownership among individuals with significant disabil</del>-
- 21 ities."
- 22 SEC. 482. STATEWIDE INDEPENDENT LIVING COUNCIL.
- 23 Section 705(b)(5) of the Rehabilitation Act of 1973
- 24 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

1	"(5) Chairperson.—The Council shall select a
2	chairperson from among the voting membership of
3	the Council.".
4	SEC. 483. INDEPENDENT LIVING SERVICES AUTHORIZA-
5	TION OF APPROPRIATIONS.
6	Section 714 of the Rehabilitation Act of 1973 (29
7	U.S.C. 796e-3) is amended by striking "fiscal years 1999
8	through 2003" and inserting "fiscal years 2004 through
9	<del>2009".</del>
10	SEC. 484. PROGRAM AUTHORIZATION.
11	Section 721 of the Rehabilitation Act of 1973 (42)
12	U.S.C. 796f) is amended—
13	(1) by striking subsection (e) and inserting the
14	following:
15	"(c) Allotments to States.—
16	"(1) Definitions.—In this subsection:
17	"(A) Additional appropriation.—The
18	term 'additional appropriation' means the
19	amount (if any) by which the appropriation for
20	a fiscal year exceeds the total of—
21	"(i) the amount reserved under sub-
22	section (b) for that fiscal year; and
23	"(ii) the appropriation for fiscal year
24	$\frac{2003}{1}$

1	"(B) APPROPRIATION.—The term 'appro-
2	priation' means the amount appropriated to
3	carry out this part.
4	"(C) BASE APPROPRIATION.—The term
5	'base appropriation' means the portion of the
6	appropriation for a fiscal year that is equal to
7	the lesser of—
8	"(i) an amount equal to 100 percent
9	of the appropriation, minus the amount re-
10	served under subsection (b) for that fiscal
11	<del>year; or</del>
12	"(ii) the appropriation for fiscal year
13	2003.
14	"(2) Allotments to states from base ap-
15	PROPRIATION.—After the reservation required by
16	subsection (b) has been made, the Commissioner
17	shall allot to each State whose State plan has been
18	approved under section 706 an amount that bears
19	the same ratio to the base appropriation as the
20	amount the State received under this subsection for
21	fiscal year 2003 bears to the total amount that all
22	States received under this subsection for fiscal year
23	<del>2003.</del>
24	"(3) Allotments to states of additional
25	APPROPRIATION.—From any additional appropria-

1	tion for each fiscal year, the Commissioner shall
2	allot to each State whose State plan has been ap-
3	proved under section 706 an amount equal to the
4	sum of—
5	"(A) an amount that bears the same ratio
6	to 50 percent of the additional appropriation as
7	the population of the State bears to the popu-
8	lation of all States; and
9	"(B) ½56 of 50 percent of the additional
10	appropriation."; and
11	(2) by adding at the end the following:
12	"(e) CARRYOVER AUTHORITY.—Any amount paid to
13	an agency to operate a center for independent living under
14	this chapter for a fiscal year and any amount of program
15	income that remains unobligated at the end of such year
16	shall remain available to such agency for obligation during
17	the next 2 fiscal years for the purposes for which such
18	amount was paid.".
19	SEC. 485. GRANTS TO CENTERS FOR INDEPENDENT LIVING
20	IN STATES IN WHICH FEDERAL FUNDING EX-
21	CEEDS STATE FUNDING.
22	Section 722(e) of the Rehabilitation Act of 1973 (29
23	U.S.C. 796f–1(e)) is amended by striking "by September
24	30, 1997" and inserting "during the preceding year".

1	SEC. 486. GRANTS TO CENTERS FOR INDEPENDENT LIVING
2	IN STATES IN WHICH STATE FUNDING
3	EQUALS OR EXCEEDS FEDERAL FUNDING.
4	Section 723(e) of the Rehabilitation Act of 1973 (29
5	U.S.C. 796f-2(e)) is amended by striking "by September
6	30, 1997" and inserting "during the preceding year".
7	SEC. 487. STANDARDS AND ASSURANCES FOR CENTERS
8	FOR INDEPENDENT LIVING.
9	Section 725(b) of the Rehabilitation Act of 1973 (29
10	U.S.C. 796f-4(b)) is amended—
11	(1) in paragraph (4), by striking "disabilities."
12	and inserting "disabilities, including maintaining in-
13	dividuals with disabilities in, or transitioning individ-
14	uals with disabilities to, community-based living:";
15	and
16	(2) by adding at the end the following:
17	"(8) Promoting full access to community
18	LIFE.—The center shall provide independent living
19	services that promote full access to community life
20	for individuals with significant disabilities. The serv-
21	ices shall include, as appropriate, facilitating transi-
22	tions from nursing homes and other institutions, in-
23	eluding institutions serving individuals with cognitive
24	disabilities, to community-based residences, assisting
25	individuals with significant disabilities at risk of en-
26	tering institutions to remain in the community, and

1	promoting home ownership among individuals with
2	significant disabilities.".
3	SEC. 488. CENTERS FOR INDEPENDENT LIVING AUTHORIZA-
4	TION OF APPROPRIATIONS.
5	Section 727 of the Rehabilitation Act of 1973 (29
6	U.S.C. 796f-6) is amended by striking "fiscal years 1999
7	through 2003" and inserting "fiscal years 2004 through
8	<del>2009".</del>
9	SEC. 489. INDEPENDENT LIVING SERVICES FOR OLDER IN-
10	DIVIDUALS WHO ARE BLIND.
11	Chapter 2 of title VII of the Rehabilitation Act of
12	1973 (29 U.S.C. 796j et seq.) is amended—
13	(1) by redesignating sections 752 and 753 as
14	sections 753 and 754, respectively; and
15	(2) by inserting after section 751 the following:
16	"SEC. 752. TRAINING AND TECHNICAL ASSISTANCE.
17	"(a) Grants; Contracts; Other Arrange-
18	MENTS.—For any fiscal year for which the funds appro-
19	priated to earry out this chapter exceed the funds appro-
20	priated to earry out this chapter for fiscal year 2003, the
21	Commissioner shall first reserve from such excess, to pro-
22	vide training and technical assistance to eligible entities
23	for such fiscal year, not less than 1.8 percent, and not
24	more than 2 percent, of the funds appropriated to earry
25	out this chapter for the fiscal year involved.

- 1 "(b) Allocation.—From the funds reserved under
- 2 subsection (a), the Commissioner shall make grants to,
- 3 and enter into contracts and other arrangements with, en-
- 4 tities that demonstrate expertise in the provision of serv-
- 5 ices to older individuals who are blind to provide training
- 6 and technical assistance with respect to planning, devel-
- 7 oping, conducting, administering, and evaluating inde-
- 8 pendent living programs for older individuals who are
- 9 blind.
- 10 "(e) Funding Priorities.—The Commissioner shall
- 11 conduct a survey of designated State agencies that receive
- 12 grants under section 753 regarding training and technical
- 13 assistance needs in order to determine funding priorities
- 14 for grants, contracts, and other arrangements under this
- 15 section.
- 16 "(d) REVIEW.—To be eligible to receive a grant or
- 17 enter into a contract or other arrangement under this sec-
- 18 tion, an eligible entity shall submit an application to the
- 19 Commissioner at such time, in such manner, containing
- 20 a proposal to provide such training and technical assist-
- 21 ance, and containing such additional information as the
- 22 Commissioner may require.
- 23 "(e) Prohibition on Combined Funds.—No funds
- 24 reserved by the Commissioner under this section may be
- 25 combined with funds appropriated under any other Act or

1	part of this Act if the purpose of combining funds is to
2	make a single discretionary grant or a single discretionary
3	payment, unless such funds appropriated under this chap-
4	ter are separately identified in such grant or payment and
5	are used for the purposes of this chapter.".
6	SEC. 490. PROGRAM OF GRANTS.
7	Section 753 of the Rehabilitation Act of 1973, as re-
8	designated by section 489, is amended—
9	(1) in subsection (g), by inserting ", or con-
10	tracts with," after "grants to";
11	(2) by striking subsection (h);
12	(3) by redesignating subsections (i) and (j) as
13	subsections (h) and (i), respectively;
14	(4) in subsection (b), by striking "section 753"
15	and inserting "section 754";
16	(5) in subsection (e)—
17	(A) in paragraph (1), by striking "section
18	753" and inserting "section 754"; and
19	(B) in paragraph (2)—
20	(i) by striking "subsection (i)" and in-
21	serting "subsection (h)"; and
22	(ii) by striking "subsection (j)" and
23	inserting "subsection (i)";
24	(6) in subsection (h), as redesignated by para-
25	<del>eraph (3)—</del>

1	(A) in paragraph (1), by striking "sub-
2	section (j)(4)" and inserting "subsection
3	(i)(4)"; and
4	(B) in paragraph (2)—
5	(i) in subparagraph (A)(vi), by adding
6	"and" after the semicolon;
7	(ii) in subparagraph (B)(ii)(III), by
8	striking "; and" and inserting a period;
9	and
10	(iii) by striking subparagraph (C);
11	and
12	(7) in subsection (i), as redesignated by para-
13	<del>graph (3)—</del>
14	(A) by striking paragraph (2) and insert-
15	ing the following:
16	"(2) MINIMUM ALLOTMENT.—
17	"(A) STATES.—In the case of the several
18	States, the District of Columbia, and the Com-
19	monwealth of Puerto Rico, the amount referred
20	to in paragraph (1)(A) for a fiscal year is the
21	greater of—
22	<del>''(i)</del> \$350,000;
23	"(ii) an amount equal to the amount
24	the State, the District of Columbia, or the
25	Commonwealth of Puerto Rico received to

1	earry out this chapter for fiscal year 2003;
2	<del>Ol'</del>
3	"(iii) an amount equal to 1/3 of 1 per-
4	cent of the amount appropriated under sec-
5	tion 754, and not reserved under section
6	752, for the fiscal year and available for
7	allotments under subsection (a).
8	"(B) CERTAIN TERRITORIES.—In the case
9	of Guam, American Samoa, the United States
10	Virgin Islands, and the Commonwealth of the
11	Northern Mariana Islands, the amount referred
12	to in paragraph $(1)(\Lambda)$ for a fiscal year is
13	<del>\$60,000.";</del>
14	(B) in paragraph (3)(A), by striking "sec-
15	tion 753" and inserting "section 754, and not
16	reserved under section 752,"; and
17	(C) in paragraph (4)(B)(i), by striking
18	"subsection (i)" and inserting "subsection (h)".
19	SEC. 491. INDEPENDENT LIVING SERVICES FOR OLDER IN-
20	DIVIDUALS WHO ARE BLIND AUTHORIZATION
21	OF APPROPRIATIONS.
22	Section 754 of the Rehabilitation Act of 1973, as re-
23	designated by section 489, is amended by striking "fiscal
24	years 1999 through 2003" and inserting "fiscal years
25	2004 through 2009".

## 1 Subtitle H—Miscellaneous

- 2 SEC. 495. HELEN KELLER NATIONAL CENTER ACT.
- 3 (a) General Authorization of Appropria-
- 4 TIONS.—The first sentence of section 205(a) of the Helen
- 5 Keller National Center Act (29 U.S.C. 1904(a)) is amend-
- 6 ed by striking "1999 through 2003" and inserting "2004
- 7 through 2009".
- 8 (b) Helen Keller National Center Federal
- 9 Endowment Fund.—The first sentence of section
- 10 208(h) of the Helen Keller National Center Act (29)
- 11 U.S.C. 1907(h)) is amended by striking "1999 through
- 12 2003" and inserting "2004 through 2009".

## 13 TITLE V—TRANSITION AND

## 14 **EFFECTIVE DATE**

- 15 SEC. 501. TRANSITION PROVISIONS.
- The Secretary of Labor shall, at the discretion of the
- 17 Secretary, take such actions as the Secretary determines
- 18 to be appropriate to provide for the orderly implementa-
- 19 tion of this Act.
- 20 SEC. 502. EFFECTIVE DATE.
- 21 Except as otherwise provided in this Act, this Act and
- 22 the amendments made by this Act, shall take effect on
- 23 the date of enactment of this Act.

#### 1 SECTION 1. SHORT TITLE.

- 2 This Act may be cited as the "Workforce Investment
- 3 Act Amendments of 2003".
- 4 SEC. 2. TABLE OF CONTENTS.
- 5 The table of contents of this Act is as follows:
  - Sec. 1. Short title.
  - Sec. 2. Table of contents.
  - Sec. 3. References.

#### TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998

#### $Subtitle\ A-Definitions$

Sec. 101. Definitions.

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- Sec. 111. Purpose.
- Sec. 112. State workforce investment boards.
- Sec. 113. State plan.
- Sec. 114. Local workforce investment areas.
- Sec. 115. Local workforce investment boards.
- Sec. 116. Local plan.
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- Sec. 118. Eligible providers of training services.
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- Sec. 120. Youth activities.
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- Sec. 122. Performance accountability system.
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## Subtitle C—Job Corps

### Sec. 131. Job Corps.

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- Sec. 141. Native American programs.
- Sec. 142. Migrant and seasonal farmworker programs.
- Sec. 143. Veterans' workforce investment programs.
- Sec. 144. Youth challenge grants.
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- Sec. 146. Demonstration, pilot, multiservice, research, and multistate projects.
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#### $Subtitle\ E$ —Administration

- Sec. 151. Requirements and restrictions.
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- Sec. 153. Administrative provisions.

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#### Subtitle F—Incentive Grants

#### Sec. 161. Incentive grants.

# TITLE II—AMENDMENTS TO THE ADULT EDUCATION AND FAMILY LITERACY ACT

- Sec. 201. Short title; purpose.
- Sec. 202. Definitions.
- Sec. 203. Authorization of appropriations.
- Sec. 204. Home schools.
- Sec. 205. Reservation of funds; grants to eligible agencies; allotments.
- Sec. 206. Performance accountability system.
- Sec. 207. State administration.
- Sec. 208. State distribution of funds; matching requirement.
- Sec. 209. State leadership activities.
- Sec. 210. State plan.
- Sec. 211. Programs for corrections education and other institutionalized individuals.
- Sec. 212. Grants and contracts for eligible providers.
- Sec. 213. Local application.
- Sec. 214. Local administrative cost limits.
- Sec. 215. Administrative provisions.
- Sec. 216. National Institute for Literacy.
- Sec. 217. National leadership activities.
- Sec. 218. Integrated English literacy and civics education.
- Sec. 219. Transition.

#### TITLE III—AMENDMENTS TO OTHER PROVISIONS OF LAW

#### Sec. 301. Wagner-Peyser Act.

#### TITLE IV—REHABILITATION ACT AMENDMENTS

- Sec. 401. Short title.
- Sec. 402. Technical amendments to table of contents.
- Sec. 403. Purpose.
- Sec. 404. Definitions.
- Sec. 405. Administration of the Act.
- Sec. 406. Carryover.

#### Subtitle A—Vocational Rehabilitation Services

- Sec. 411. Declaration of policy; authorization of appropriations.
- Sec. 412. State plans.
- Sec. 413. Eligibility and individualized plan for employment.
- Sec. 414. Vocational rehabilitation services.
- Sec. 415. State rehabilitation council.
- Sec. 416. Evaluation standards and performance indicators.
- Sec. 417. State allotments.
- Sec. 418. Client assistance program.
- Sec. 419. Incentive grants.
- Sec. 420. Vocational rehabilitation services grants.
- Sec. 421. GAO studies.

#### Subtitle B—Research and Training

- Sec. 431. Authorization of appropriations.
- Sec. 432. National Institute on Disability and Rehabilitation Research.
- Sec. 433. Research and other covered activities.
- Sec. 434. Rehabilitation research advisory council.
- Subtitle C—Professional Development and Special Projects and Demonstrations
- Sec. 441. Training.
- Sec. 442. Demonstration and training programs.
- Sec. 443. Migrant and seasonal farmworkers.
- Sec. 444. Recreational programs.

#### Subtitle D—National Council on Disability

Sec. 451. Authorization of appropriations.

#### Subtitle E—Rights and Advocacy

- Sec. 461. Architectural and transportation barriers compliance board.
- Sec. 462. Protection and advocacy of individual rights.

#### Subtitle F—Employment Opportunities for Individuals With Disabilities

- Sec. 471. Projects with industry authorization of appropriations.
- Sec. 472. Services for individuals with significant disabilities authorization of appropriations.
- Subtitle G—Independent Living Services and Centers for Independent Living
- Sec. 481. State plan.
- Sec. 482. Statewide independent living council.
- Sec. 483. Independent living services authorization of appropriations.
- Sec. 484. Program authorization.
- Sec. 485. Grants to centers for independent living in States in which Federal funding exceeds State funding.
- Sec. 486. Grants to centers for independent living in States in which State funding equals or exceeds Federal funding.
- Sec. 487. Standards and assurances for centers for independent living.
- Sec. 488. Centers for independent living authorization of appropriations.
- Sec. 489. Independent living services for older individuals who are blind.
- Sec. 490. Program of grants.
- Sec. 491. Independent living services for older individuals who are blind authorization of appropriations.

#### Subtitle H—Miscellaneous

Sec. 495. Helen Keller National Center Act.

#### TITLE V—TRANSITION AND EFFECTIVE DATE

- Sec. 501. Transition provisions.
- Sec. 502. Effective date.

1	SEC. 3. REFERENCES.
2	Except as otherwise expressly provided, wherever in
3	this Act an amendment or repeal is expressed in terms of
4	an amendment to, or repeal of, a section or other provision,
5	the reference shall be considered to be made to a section or
6	other provision of the Workforce Investment Act of 1998 (29
7	U.S.C. 2801 et seq.).
8	TITLE I—AMENDMENTS TO
9	TITLE I OF THE WORKFORCE
10	INVESTMENT ACT OF 1998
11	$Subtitle\ A-\!$
12	SEC. 101. DEFINITIONS.
13	Section 101 (29 U.S.C. 2801) is amended—
14	(1) by redesignating paragraphs (1) through (4),
15	(5) through (16), (17), (18) through (41), and (42)
16	through (53) as paragraphs (2) through (5), (7)
17	through (18), (20), (23) through (46), and (48)
18	through (59), respectively;
19	(2) by inserting before paragraph (2) (as redesig-
20	nated by paragraph (1)) the following:
21	"(1) Accrued expenditures.—The term 'ac-
22	crued expenditures' means charges incurred by recipi-
23	ents of funds under this title for a given period re-
24	quiring the provision of funds for—
25	"(A) goods or other tangible property re-
26	ceived;

1	"(B) services performed by employees, con-
2	tractors, subgrantees, subcontractors, and other
3	payees; and
4	"(C) other amounts becoming owed under
5	programs assisted under this title for which no
6	current services or performance is required, such
7	as annuities, insurance claims, and other benefit
8	payments.";
9	(3) in paragraph (2) (as redesignated by para-
10	graph (1)), by striking "Except in sections 127 and
11	132," and inserting "Except in section 132,";
12	(4) by striking paragraph (5) (as redesignated
13	by paragraph (1)) and inserting the following:
14	"(5) Basic skills deficient.—The term basic
15	skills deficient' means, with respect to an individual,
16	that the individual—
17	"(A) has English reading, writing, or com-
18	puting skills at or below the 8th grade level on
19	a generally accepted standardized test or a com-
20	parable score on a criterion-referenced test; or
21	"(B) is unable to compute or solve problems,
22	read, write, or speak English at a level necessary
23	to function on the job, in the individual's family,
24	or in society.";

1	(5) by inserting after paragraph (5) (as redesig-
2	nated by paragraph (1)) the following:
3	"(6) Business intermediary.—The term busi-
4	ness intermediary' means an entity that brings to-
5	gether various stakeholders with an expertise in an
6	industry or business sector.";
7	(6) in paragraph (9) (as redesignated by para-
8	graph (1)), by inserting ", including a faith-based or-
9	ganization," after "nonprofit organization";
10	(7) in paragraph (10) (as redesignated by para-
11	graph (1))—
12	(A) in subparagraph (B), by striking "and"
13	after the semicolon;
14	(B) in subparagraph (C)—
15	(i) by striking "for not less than 50
16	percent of the cost of the training." and in-
17	serting "for—
18	"(i) a significant portion of the cost of
19	training as determined by the local board,
20	taking into account the size of the employer
21	and such other factors as the local board de-
22	termines to be appropriate; and
23	"(ii) for customized training (as de-
24	fined in subparagraphs (A) and (B)) with
25	an employer in multiple local areas in the

1	State, a significant portion of the cost of the
2	training, as determined by the Governor,
3	taking into account the size of the employer
4	and such other factors as the Governor de-
5	termines to be appropriate.";
6	(8) in paragraph (11) (as redesignated by para-
7	graph (1))—
8	(A) in subparagraph (A)(ii)(II), by striking
9	"section 134(c)" and inserting "section 121(e)";
10	(B) in subparagraph (C), by striking "or"
11	after the semicolon;
12	(C) in subparagraph (D), by striking the
13	period and inserting "; or"; and
14	(D) by adding at the end the following:
15	" $(E)(i)$ is the spouse of a member of the
16	Armed Forces on active duty for a period of
17	more than 30 days (as defined in section
18	101(d)(2) of title 10, United States Code) who
19	has experienced a loss of employment as a direct
20	result of relocation to accommodate a permanent
21	change in duty station of such member; or
22	"(ii) is the spouse of a member of the
23	Armed Forces on active duty who meets the cri-
24	teria described in paragraph (12)(B).";

1	(9) in paragraph (12)(A) (as redesignated by
2	paragraph (1))—
3	(A) by striking "and" after the semicolon
4	and inserting "or";
5	(B) by striking "(A)" and inserting
6	" $(A)(i)$ "; and
7	(C) by adding at the end the following:
8	"(ii) is the dependent spouse of a member of
9	the Armed Forces on active duty for a period of
10	more than 30 days (as defined in section
11	101(d)(2) of title 10, United States Code) whose
12	family income is significantly reduced because of
13	a deployment (as defined in section 991(b) of
14	title 10, United States Code, or pursuant to
15	paragraph (4) of such section), a call or order to
16	active duty pursuant to a provision of law re-
17	ferred to in section $101(a)(13)(B)$ of title 10,
18	United States Code, a permanent change of sta-
19	tion, or the service-connected (as defined in sec-
20	tion 101(16) of title 38, United States Code)
21	death or disability of the member; and";
22	(10) in paragraph (14)(A) (as redesignated by
23	paragraph (1)), by striking "section 122(e)(3)" and
24	inserting "section 122";

1	(11) by inserting after paragraph (18) (as redes-
2	ignated by paragraph (1)) the following:
3	"(19) Hard-to-serve populations.—The term
4	hard-to-serve populations' means populations of indi-
5	viduals who are hard to serve, including displaced
6	homemakers, low-income individuals, Native Ameri-
7	cans, individuals with disabilities, older individuals,
8	ex-offenders, homeless individuals, individuals with
9	limited English proficiency, individuals who do not
10	meet the definition of literacy in section 203, individ-
11	uals facing substantial cultural barriers, migrant and
12	seasonal farmworkers, individuals within 2 years of
13	exhausting lifetime eligibility under part $A$ of title $IV$
14	of the Social Security Act (42 U.S.C. 601 et seq.), and
15	such other groups as the Governor determines to be
16	hard to serve.";
17	(12) by inserting after paragraph (20) (as redes-
18	ignated by paragraph (1)) the following:
19	"(21) Integrated training program.—The
20	term 'integrated training program' means a program
21	that combines occupational skills training with
22	English language acquisition.
23	"(22) Institution of higher education.—
24	The term 'institution of higher education' has the
25	meaning given the term in section 101(a), and sub-

1	paragraphs (A) and (B) of section $102(a)(1)$ , of the
2	Higher Education Act of 1965 (20 U.S.C. 1001(a),
3	1002(a)(1)).";
4	(13) in paragraph (30) (as redesignated by
5	paragraph (1))—
6	(A) by redesignating subparagraphs (D)
7	through (F) as subparagraphs (E) through (G),
8	respectively; and
9	(B) by inserting after subparagraph (C) the
10	following:
11	"(D) receives or is eligible to receive a free
12	or reduced price lunch under the Richard B.
13	Russell National School Lunch Act (42 U.S.C.
14	1751 et seq.);";
15	(14) in paragraph (35) (as redesignated by
16	paragraph (1)), by inserting ", subject to section
17	121(b)(1)(C)" after "121(b)(1)";
18	(15) by striking paragraph (38) (as redesignated
19	by paragraph (1)) and inserting the following:
20	"(38) Out-of-school youth.—The term 'out-
21	of-school youth' means an out-of-school youth as de-
22	fined in section $129(a)(1)(B)$ .";
23	(16) in paragraph (46) (as redesignated by
24	paragraph (1)), by striking ", and the term means
25	such Secretary for purposes of section 503":

1	(17) by inserting after paragraph (46) (as redes-
2	ignated by paragraph (1)) the following:
3	"(47) Self-sufficiency.—The term 'self-suffi-
4	ciency' means self-sufficiency within the meaning of
5	subsections $(a)(3)(A)(x)$ and $(e)(1)(A)(xii)$ of section
6	134.";
7	(18) in paragraph (49) (as redesignated by
8	paragraph (1)), by striking "clause (iii) or (v) of sec-
9	tion $136(b)(3)(A)$ " and inserting "section
10	136(b)(3)(A)(iii)";
11	(19) in paragraph (58) (as redesignated by
12	paragraph (1)), by striking "(or as described in sec-
13	tion $129(c)(5)$ )" and inserting "(or as described in
14	section $129(a)(2)$ )"; and
15	(20) in paragraph (59) (as redesignated by
16	paragraph (1)), by striking "established under section
17	117(h)" and inserting "that may be established under
18	section $117(h)(2)$ ".
19	Subtitle B—Statewide and Local
20	Workforce Investment Systems
21	SEC. 111. PURPOSE.
22	Section 106 (29 U.S.C. 2811) is amended to read as
23	follows:
24	"SEC. 106. PURPOSES.
25	"The purposes of this subtitle are the following:

- "(1)(A) Primarily, to provide workforce investment activities, through statewide and local workforce
  investment systems, that increase the employment, retention, self-sufficiency, and earnings of participants,
  and increase occupational skill attainment by participants.
  - "(B) As a result of the provision of the activities, to improve the quality of the workforce, reduce welfare dependency, increase self-sufficiency, and enhance the productivity and competitiveness of the Nation.
  - "(2) To enhance the workforce investment system of the Nation by strengthening one-stop centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment and training and related services, establishing a targeted approach to serving youth, improving performance accountability, and promoting State and local flexibility.
  - "(3) To provide workforce investment activities in a manner that promotes the informed choice of participants and actively involves participants in decisions affecting their participation in such activities.
  - "(4) To provide workforce investment systems that are demand-driven and responsive to the needs of all employers, including small employers.

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1	"(5) To provide workforce investment systems
2	that work in all areas of the Nation, including urban
3	and rural areas.
4	"(6) To allow flexibility to meet State, local, re-
5	gional, and individual workforce investment needs.
6	"(7) To recognize and reinforce the vital link be-
7	tween economic development and workforce invest-
8	ment activities.
9	"(8) To provide for accurate data collection, re-
10	porting, and performance measures that are not un-
11	duly burdensome.
12	"(9) To address the ongoing shortage of essential
13	skills in the United States workforce related to both
14	manufacturing and knowledge-based economies to en-
15	sure that the United States remains competitive in
16	the global economy.
17	"(10) To equip workers with higher skills and
18	contribute to lifelong education.
19	"(11) To eliminate training disincentives for
20	hard-to-serve populations and minority workers, in-
21	cluding effectively utilizing community programs,
22	services, and agencies.
23	"(12) To educate limited English proficient indi-
24	viduals about skills and language so the individuals
25	are employable.

1	"(13) To increase the employment, retention and
2	earnings of individuals with disabilities.".
3	SEC. 112. STATE WORKFORCE INVESTMENT BOARDS.
4	(a) Membership.—
5	(1) In General.—Section 111(b) (29 U.S.C.
6	2821(b)) is amended—
7	(A) in paragraph (1), by striking subpara-
8	graph (C) and inserting the following:
9	"(C) representatives appointed by the Gov-
10	ernor, who—
11	"(i) are the lead State agency officials
12	with responsibility for the programs and ac-
13	tivities that are described in section 121(b)
14	and carried out by one-stop partners, except
15	that—
16	"(I) in any case in which no lead
17	State agency official has responsibility
18	for such a program or activity, the
19	representative shall be a representative
20	in the State with expertise relating to
21	such program or activity; and
22	"(II) in the case of the programs
23	authorized under title I of the Reha-
24	bilitation Act of 1973, the representa-
25	tive shall be the director of the des-

1	ignated State unit, as defined in sec-
2	tion 7 of the Rehabilitation Act of
3	1973 (29 U.S.C. 705);
4	"(ii) are the State agency officials re-
5	sponsible for economic development;
6	"(iii) are representatives of business in
7	the State, including small businesses, who—
8	"(I) are owners of businesses, chief
9	executive or operating officers of busi-
10	nesses, or other business executives or
11	employers with optimum policymaking
12	or hiring authority;
13	"(II) represent businesses with
14	employment opportunities that reflect
15	employment opportunities in the State;
16	and
17	"(III) are appointed from among
18	individuals nominated by State busi-
19	ness organizations, business trade asso-
20	ciations, and local boards;
21	"(iv) are chief elected officials (rep-
22	resenting cities and counties, where appro-
23	priate);

1	"(v) are representatives of labor orga-
2	nizations, who have been nominated by
3	State labor federations; and
4	"(vi) are such other State agency offi-
5	cials and other representatives as the Gov-
6	ernor may designate."; and
7	(B) in paragraph (3), by striking "para-
8	graph (1)(C)(i)" and inserting "paragraph"
9	(1)(C)(iii)".
10	(2) Conforming amendment.—Section 111(c)
11	(29 U.S.C. 2821(c)) is amended by striking "sub-
12	section $(b)(1)(C)(i)$ " and $inserting$ "subsection
13	(b)(1)(C)(iii)".
14	(b) Functions.—Section 111(d) (29 U.S.C. 2811(d))
15	is amended—
16	(1) in paragraph (1), by striking "development"
17	and inserting "development, implementation, and re-
18	vision";
19	(2) in paragraph (2), by striking "section
20	134(c)" and inserting "section 121(e)";
21	(3) by striking paragraph (3) and inserting the
22	following:
23	"(3) reviewing and providing comment on the
24	State plans of all one-stop partner programs, where
25	applicable, in order to provide effective strategic lead-

1	ership in the development of a high quality, com-
2	prehensive statewide workforce investment system, in-
3	cluding commenting at least once annually on the
4	measures taken pursuant to section 113(b)(3) of the
5	Carl D. Perkins Vocational and Technical Education
6	Act of 1998 (20 U.S.C 2323(b)(3)) and title II of this
7	Act;
8	(4) by redesignating paragraphs (4) through (9)
9	as paragraphs (5) through (10), respectively;
10	(5) by inserting after paragraph (3) the fol-
11	lowing:
12	"(4) development and review of statewide policies
13	affecting the coordinated provision of services through
14	the one-stop delivery systems described in section
15	121(e) within the State, including—
16	"(A) the development of objective criteria
17	and procedures for use by local boards in assess-
18	ing the effectiveness and continuous improvement
19	$of\ one$ -stop centers under section $121(g);$
20	"(B) the development of guidance for the al-
21	location of one-stop center infrastructure funds
22	$under\ section\ 121(h)(1)(B);$
23	"(C) the development of—
24	"(i) statewide policies relating to the
25	appropriate roles and contributions of one-

1	stop partner programs within the one-stop
2	delivery system, including approaches to fa-
3	cilitating equitable and efficient cost alloca-
4	tion in the one-stop delivery system;
5	"(ii) statewide strategies for providing
6	effective outreach to individuals, including
7	hard-to-serve populations, and employers
8	who could benefit from services provided
9	through the one-stop delivery system; and
10	"(iii) strategies for technology improve-
11	ments to facilitate access to services pro-
12	vided through the one-stop delivery system,
13	in remote areas, and for individuals with
14	disabilities, which may be utilized through-
15	out the State;
16	"(D) identification and dissemination of in-
17	formation on best practices for effective operation
18	of one-stop centers, including use of innovative
19	business outreach, partnerships, and service de-
20	livery strategies, including for hard-to-serve pop-
21	ulations; and
22	"(E) conduct of such other matters as may
23	promote statewide objectives for, and enhance the
24	performance of, the one-stop delivery systems;";

1	(6) in paragraph (5) (as redesignated by para-
2	graph (4)), by inserting "and the development of
3	statewide criteria to be used by chief elected officials
4	for the appointment of local boards consistent with
5	section 117" after "section 116";
6	(7) in paragraph (6) (as redesignated by para-
7	graph (4)), by striking "sections 128(b)(3)(B) and
8	133(b)(3)(B)" and inserting "sections $128(b)(3)$ and
9	133(b)(3)(B)";
10	(8) in paragraph (9) (as redesignated by para-
11	graph (4)), by striking "and" after the semicolon;
12	(9) in paragraph (10) (as redesignated by para-
13	graph (4))—
14	(A) by striking "section 503" and inserting
15	"section $136(i)(1)$ "; and
16	(B) by striking the period and inserting ";
17	and"; and
18	(10) by adding at the end the following:
19	"(11) increasing the availability of skills train-
20	ing, employment opportunities, and career advance-
21	ment, for hard-to-serve populations.".
22	(c) Alternative Entity.—Section 111(e) (29 U.S.C.
23	2811(e)) is amended—
24	(1) in paragraph (1), by striking "For" and in-
25	serting "Subject to paragraph (3), for": and

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1
             (2) by adding at the end the following:
 2
             "(3) Failure to meet performance meas-
 3
        URES.—If a State fails to have performed successfully,
 4
        as defined in section 116(a)(2), the Secretary may re-
 5
        quire the State to establish a State board in accord-
 6
        ance with subsections (a), (b), and (c) in lieu of the
 7
        alternative entity established under paragraph (1).".
 8
        (d) Sunshine Provision.—Section 111(g) (29 U.S.C.
   2822(q)) is amended—
             (1) by inserting ", and modifications to the
10
11
        State plan," before "prior"; and
             (2) by inserting ", and modifications to the
12
13
        State plan" after "the plan".
14
        (e) AUTHORITY TO HIRE STAFF.—Section 111 (29)
    U.S.C. 2811)) is amended by adding at the end the fol-
16 lowing:
17
        "(h) Authority To Hire Staff.—The State board
   may hire staff to assist in carrying out the functions de-
18
   scribed in subsection (d) using funds allocated under sec-
19
   tions 127(b)(1)(C) and 132(b).".
21
   SEC. 113. STATE PLAN.
22
        (a) Planning Cycle.—Section 112(a) (29 U.S.C.
23
   2822(a)) is amended—
24
             (1) by striking "5-year strategy" and inserting
        "4-year strategy": and
25
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1	(2) by adding at the end the following: "At the
2	end of the first 2-year period of the 4-year State plan,
3	the State board shall review and, as needed, amend
4	the 4-year State plan to reflect labor market and eco-
5	nomic conditions. In addition, the State shall submit
6	a modification to the State plan at the end of the first
7	2-year period of the State plan, which may include
8	redesignation of local areas pursuant to section
9	116(a) and specification of the levels of performance
10	under sections 136 for the third and fourth years of
11	the plan.".
12	(b) Contents.—Section 112(b) (29 U.S.C. 2822(b)) is
13	amended—
14	(1) in paragraph $(8)(A)$ —
15	(A) in clause (ix), by striking "and" after
16	the semicolon; and
17	(B) by adding at the end the following:
18	"(xi) programs authorized under title II of
19	the Social Security Act (42 U.S.C. 401 et seq.)
20	(relating to Federal old-age, survivors, and dis-
21	ability insurance benefits), title XVI of such Act
22	(42 U.S.C. 1381 et seq.) (relating to supple-
23	mental security income), title XIX of such Act
24	(42 U.S.C. 1396 et seq.) (relating to medicaid),
25	and title XX of such Act (relating to block grants

1	to States for social services), programs author-
2	ized under title VII of the Rehabilitation Act of
3	1973 (29 U.S.C. 796 et seq.), and programs car-
4	ried out by State agencies relating to mental re-
5	tardation and developmental disabilities; and";
6	(2) by striking paragraph (10) and inserting the
7	following:
8	"(10) a description of how the State will use
9	funds the State received under this subtitle to leverage
10	other Federal, State, local, and private resources, in
11	order to maximize the effectiveness of such resources,
12	expand resources for the provision of education and
13	training services, and expand the participation of
14	businesses, employees, and individuals in the state-
15	wide workforce investment system, including a de-
16	scription of incentives and technical assistance the
17	State will provide to local areas for such purposes;";
18	(3) in paragraph (12)(A), by striking "sections
19	128(b)(3)(B) and $133(b)(3)(B)$ " and inserting "sec-
20	tions 128(b)(3) and 133(b)(3)(B)";
21	(4) in paragraph (14), by striking "section
22	134(c)" and inserting "section 121(e)";
23	(5) in paragraph (17)—
24	(A) in subparagraph (A)—
25	(i) in clause (iii)—

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1	(I) by inserting "local" before
2	"customized training"; and
3	(II) by striking "and" at the end;
4	(ii) in clause (iv), by striking "(in-
5	cluding displaced homemakers)," and all
6	that follows through "disabilities)" and in-
7	serting ", hard-to-serve populations and in-
8	dividuals training for nontraditional em-
9	ployment"; and
10	(iii) by adding after clause (iv) the fol-
11	lowing:
12	"(v) how the State will serve the em-
13	ployment and training needs of individuals
14	with disabilities, consistent with section 188
15	and Executive Order 13217 (42 U.S.C.
16	12131 note; relating to community-based al-
17	ternatives for individuals with disabilities),
18	including the provision of outreach, intake,
19	the conduct of assessments, service delivery,
20	the development of adjustments to perform-
21	ance measures established under section
22	136, and the training of staff; and"; and
23	(B) in subparagraph (B), by striking "and"
24	at the end;
25	(6) in paragraph (18)(D)—

1	(A) by striking "youth opportunity grants"
2	and inserting "youth challenge grants authorized
3	under section 169 and other federally funded
4	youth programs"; and
5	(B) by striking the period and inserting a
6	semicolon; and
7	(7) by adding at the end the following:
8	"(19) a description of how the State will utilize
9	technology to facilitate access to services in remote
10	areas, which may be utilized throughout the State;
11	"(20) a description of the State strategy for co-
12	ordinating workforce investment activities and eco-
13	nomic development activities;
14	"(21) a description of the State strategy and as-
15	sistance to be provided for ensuring regional coopera-
16	tion within the State and across State borders as ap-
17	propriate;
18	"(22) a description of how the State will use
19	funds the State receives under this subtitle to—
20	"(A) implement innovative programs and
21	strategies designed to meet the needs of all busi-
22	nesses in the State, including small businesses,
23	which may include incumbent worker training
24	programs, sectoral and industry cluster strate-
25	gies, regional skills alliances, career ladder pro-

grams, utilization of effective business intermediaries, and other business services and strategies that better engage employers in workforce investment activities and make the statewide workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title; and

"(B) provide incentives and technical assistance to assist local areas in more fully engaging all employers, including small employers, in local workforce investment activities, to make the workforce investment system more relevant to the needs of area businesses, and to better coordinate workforce investment and economic development efforts to contribute to the economic well-being of the local area, as determined appropriate by the local board;

## "(23) a description of the State strategy—

- "(A) for ensuring cooperation between transportation providers, including public transportation providers, and providers of workforce investment activities; and
- "(B) for ensuring coordination among appropriate State agencies and programs to make available skills training, employment services

1	and opportunities, and career advancement ac-
2	tivities, that will assist ex-offenders in reentering
3	the workforce;
4	"(24) a description of how the State will assist
5	local areas in assuring physical and programmatic
6	accessibility for individuals with disabilities at one-
7	stop centers;
8	"(25) a description of the process and method-
9	ology that will be used by the State board to—
10	"(A) review statewide policies and provide
11	guidance on the coordinated provision of services
12	through the one-stop delivery system described in
13	section 121;
14	"(B) establish, in consultation with chief
15	elected officials and local boards, objective cri-
16	teria and procedures for use by local boards in
17	periodically assessing the effectiveness, physical
18	and programmatic accessibility, and continuous
19	improvement of one-stop centers and one-stop de-
20	livery systems as described in section 121(g); and
21	"(C) determine—
22	"(i) one-stop partner program con-
23	tributions for the costs of the infrastructure
24	of one-stop centers under section $121(h)(2)$ ;
25	and

1	"(ii) the formula for allocating the
2	funds described in section 121(h)(2) to local
3	areas;
4	"(26) a description of the State strategy for en-
5	suring that activities carried out under this title are
6	placing men and women in jobs, education, or train-
7	ing that lead to comparable pay; and
8	"(27) a description of the technical assistance
9	available to one-stop operators and providers of train-
10	ing services for strategies to serve hard-to-serve popu-
11	lations and promote placement in nontraditional em-
12	ployment.".
13	(c) Modifications to Plan.—Section 112(d) (29
14	U.S.C. 2822(d)) is amended—
15	(1) by striking "5-year period" and inserting
16	"4-year period"; and
17	(2) by adding at the end the following: "In addi-
18	tion, the State shall submit the modifications to the
19	State plan required under subsection (a), under cir-
20	cumstances prescribed by the Secretary that are due
21	to changes in Federal law that significantly affect ele-
22	ments of the State plan.".
23	SEC. 114. LOCAL WORKFORCE INVESTMENT AREAS.
24	(a) Designation of Areas.—

1	(1) Considerations.—Section $116(a)(1)(B)$ (29
2	U.S.C. $2831(a)(1)(B)$ ) is amended by adding at the
3	end the following:
4	"(vi) The extent to which such local
5	areas will promote maximum effectiveness
6	in the administration and provision of serv-
7	ices.".
8	(2) Automatic designation.—Section
9	116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to read
10	as follows:
11	"(2) Automatic designation.—
12	"(A) In general.—The Governor shall ap-
13	prove a request for designation as a local area
14	that is submitted prior to the submission of the
15	State plan, or of a modification to the State
16	plan relating to area designation, from any area
17	that—
18	"(i) is a unit of general local govern-
19	ment with a population of 500,000 or more,
20	except that after the initial 2-year period
21	following such designation pursuant to this
22	clause that occurs after the date of enact-
23	ment of the Workforce Investment Act
24	Amendments of 2003, the Governor shall

1	only be required to approve a request for
2	designation from such area if such area—
3	"(I) performed successfully; and
4	"(II) sustained fiscal integrity;
5	"(ii) was a local area under this title
6	for the preceding 2-year period, if such local
7	area—
8	"(I) performed successfully; and
9	"(II) sustained fiscal integrity;
10	"(iii) is served by a rural concentrated
11	employment program grant recipient, ex-
12	cept that after the initial 2-year period fol-
13	lowing any such designation under the ini-
14	tial State plan submitted after the date of
15	enactment of the Workforce Investment Act
16	Amendments of 2003, the Governor shall
17	only be required to approve a request for
18	designation under this clause for such area
19	if such area—
20	"(I) performed successfully; and
21	"(II) sustained fiscal integrity; or
22	"(iv) was a local area under section
23	116(a)(2)(C) (as in effect on the day before
24	the date of enactment of the Workforce In-
25	vestment Act Amendments of 2003), except

1	that after the initial 2-year period following
2	such designation pursuant to this clause
3	that occurs after that date of enactment, the
4	Governor shall only be required to approve
5	a request for designation under this clause
6	for such area if such area—
7	"(I) performed successfully; and
8	"(II) sustained fiscal integrity.
9	"(B) Definitions.—For purposes of this
10	paragraph:
11	"(i) Performed successfully.—The
12	term 'performed successfully', when used
13	with respect to a local area, means the local
14	area performed at 80 percent or more of the
15	adjusted level of performance for core indi-
16	cators of performance described in section
17	136(b)(2)(A) for 2 consecutive years.
18	"(ii) Sustained fiscal integrity.—
19	The term 'sustained fiscal integrity', used
20	with respect to an area, means that the Sec-
21	retary has not made a formal determination
22	during the preceding 2-year period that ei-
23	ther the grant recipient or the administra-
24	tive entity of the area misexpended funds
25	provided under this title due to willful dis-

1	regard of the requirements of the Act in-
2	volved, gross negligence, or failure to comply
3	with accepted standards of administra-
4	tion.".
5	(3) Conforming amendments.—Section 116(a)
6	(29 U.S.C. 2831(a)) is amended—
7	(A) by striking paragraph (3);
8	(B) by redesignating paragraphs (4) and
9	(5) as paragraph (3) and (4), respectively;
10	(C) in paragraph (3) (as redesignated by
11	$subparagraph\ (B))$ —
12	(i) by striking "(including temporary
13	designation)"; and
14	(ii) by striking "(v)" and inserting
15	"(vi)"; and
16	(D) in paragraph (4) (as redesignated by
17	$subparagraph\ (B))$ —
18	(i) by striking "under paragraph (2)
19	or (3)" and inserting "under paragraph
20	(2)"; and
21	(ii) by striking the second sentence.
22	(b) Single Local Area States.—Section 116(b) (29
23	U.S.C. 2831(b)) is amended to read as follows:
24	"(b) Single Local Area States.—

- 1 "(1) Continuation of previous designa-2 TION.—Notwithstanding subsection (a)(2), the Gov-3 ernor of any State that was a single local area for 4 purposes of this title as of July 1, 2002, may continue 5 to designate the State as a single local area for pur-6 poses of this title if the Governor identifies the State 7 as a local area in the State plan under section 8 112(b)(5).
- 9 "(2) Redesignation.—The Governor of a State 10 not described in paragraph (1) may designate the 11 State as a single local area if, prior to the submission 12 of the State plan or modification to such plan so des-13 ignating the State, no local area meeting the require-14 ments for automatic designation under subsection 15 (a)(2) requests such designation as a separate local 16 area.
  - "(3) Effect on local plan.—In any case in which a State is designated as a local area pursuant to this subsection, the local plan prepared under section 118 for the area shall be submitted to the Secretary for approval as part of the State plan under section 112.".
- 23 (c) Regional Planning.—Section 116(c) (29 U.S.C.
- 24 2831(c)) is amended—

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1	(1) by	striking	paragraph	(1)	and	inserting	the
2	following:						

## "(1) Planning.—

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"(A) In general.—As part of the process for developing the State plan, a State may require regional planning by local boards for a designated region in the State. The State may require the local boards for a designated region to participate in a regional planning process that results in the establishment of regional performance measures for workforce investment activities authorized under this subtitle. The State, after consultation with local boards and chief elected officials, may require the local boards for the designated region to prepare, submit, and obtain approval of a single regional plan that incorporates local plans for each of the local areas in the region, as required under section 118. The State may award regional incentive grants to the designated regions that meet or exceed the regional performance measures pursuant to section 134(a)(2)(B)(iii).

"(B) Technical assistance.—If the State requires regional planning as provided in subparagraph (A), the State shall provide technical

1	assistance and labor market information to such
2	local areas in the designated regions to assist
3	with such regional planning and subsequent
4	service delivery efforts.";
5	(2) in paragraph (2), by inserting "information
6	about the skill requirements of existing and emerging
7	industries and industry clusters," after "information
8	about employment opportunities and trends,"; and
9	(3) in paragraph (3), by adding at the end the
10	following: "Such services may be required to be co-
11	ordinated with regional economic development serv-
12	ices and strategies.".
13	SEC. 115. LOCAL WORKFORCE INVESTMENT BOARDS.
14	(a) Composition.—Section 117(b) (29 U.S.C.
15	2832(b)) is amended—
16	(1) in paragraph $(2)(A)$ —
17	(A) in clause (i), by striking subclause (II)
18	and inserting the following:
19	"(II) collectively, represent busi-
20	nesses with employment opportunities
21	that reflect the employment opportuni-
22	ties of the local area, and include rep-
23	resentatives of businesses that are in
24	high-growth and emerging industries,
25	and representatives of businesses, in-

1	cluding small businesses, in the local
2	area; and";
3	(B) by striking clause (ii) and inserting the
4	following:
5	"(ii)(I) a superintendent representing
6	the local school districts involved or another
7	high-level official from such districts;
8	"(II) the president or highest ranking
9	official of an institution of higher education
10	serving the local area; and
11	"(III) an administrator of local enti-
12	ties providing adult education and literacy
13	activities in the local area;";
14	(C) in clause (iv), by inserting ", hard-to-
15	serve populations," after "disabilities"; and
16	(D) by striking clause (vi) and inserting the
17	following:
18	"(vi) if the local board does not estab-
19	lish or continue a youth council, representa-
20	tives with experience serving out-of-school
21	youth, particularly out-of-school youth fac-
22	ing barriers to employment; and"; and
23	(2) by adding at the end the following:
24	"(6) Special rule.—In the case that there are
25	multiple school districts or institutions of higher edu-

1	cation serving a local area, the representatives de-
2	scribed in subclause (I) or (II) of paragraph
3	(2)(A)(ii), respectively, shall be appointed from
4	among individuals nominated by regional or local
5	educational agencies, institutions, or organizations
6	representing such agencies or institutions.".
7	(b) Authority of Board Members.—Section
8	117(b)(3) (29 U.S.C. 2832(b)(3)) is amended—
9	(1) in the heading, by inserting "AND REP-
10	RESENTATION" after "AUTHORITY"; and
11	(2) by adding at the end the following: "The
12	members of the board shall represent diverse geo-
13	graphic sections within the local area.".
14	(c) Conforming Amendment.—Section 117(c)(1)(C)
15	(29 U.S.C. $2832(c)(1)(C)$ ) is amended by striking "section
16	116(a)(2)(B)" and inserting "section $116(a)(2)(A)(ii)$ ".
17	(d) Functions.—Section 117(d) (29 U.S.C. 2832(d))
18	is amended—
19	(1) in paragraph (2)—
20	$(A) \ in \ subparagraph \ (B)$ —
21	(i) by inserting "(except as provided in
22	section 123(b))" after "basis"; and
23	(ii) by inserting "(where appropriate)"
24	after "youth council"; and
25	(B) by adding at the end the following:

1	"(E) Consumer choice requirements.—
2	Consistent with sections 122 and paragraphs (3)
3	and (4) of 134(d), the local board shall work to
4	ensure there are sufficient providers of intensive
5	services and training services serving the local
6	area in a manner that maximizes consumer
7	choice, including providers with expertise in as-
8	sisting individuals with disabilities.";
9	(2) in paragraph (4), by inserting ", and shall
10	ensure the appropriate use and management of the
11	funds provided under this subtitle for such programs,
12	activities, and system" after "area";
13	(3) in paragraph (8)—
14	(A) by inserting ", including small employ-
15	ers," after "private sector employers"; and
16	(B) by striking the period and inserting ",
17	taking into account the unique needs of small
18	businesses."; and
19	(4) by adding at the end the following:
20	"(9) Technology improvements.—The local
21	board shall develop strategies for technology improve-
22	ments to facilitate access to services, in remote areas,
23	for services authorized under this subtitle and carried
24	out in the local area.".

1	(e) Conforming Amendment.—Section 117(f)(2) (29
2	U.S.C. 2832(f)(2)) is amended by striking "described in sec-
3	tion 134(c)".
4	(f) Authority To Establish Councils and Elimi-
5	NATION OF REQUIREMENT FOR YOUTH COUNCILS.—Section
6	117(h) (29 U.S.C. 2832(h)) is amended to read as follows:
7	"(h) Councils.—The local board may establish or
8	continue councils to provide information and advice to as-
9	sist the local board in carrying out activities under this
10	title. Such councils may include—
11	"(1) a council composed of one-stop partners to
12	advise the local board on the operation of the one-stop
13	delivery system involved;
14	"(2) a youth council composed of experts and
15	stakeholders in youth programs to advise the local
16	board on youth activities; and
17	"(3) such other councils as the local board deter-
18	mines are appropriate.".
19	(g) Alternative Entity Provision.—Section
20	117(i)(1) (29 U.S.C. 2832(i)(1)) is amended—
21	(1) by striking subparagraph (B) and inserting
22	$the\ following:$
23	"(B) was in existence on August 7, 1998,
24	pursuant to State law; and";
25	(2) by striking subparagraph (C); and

1	(3) by redesignating subparagraph $(D)$ as sub-
2	paragraph (C).
3	SEC. 116. LOCAL PLAN.
4	(a) Planning Cycle.—Section 118(a) (29 U.S.C.
5	2833(a)) is amended—
6	(1) by striking "5-year" and inserting "4-year";
7	and
8	(2) by adding at the end the following: "At the
9	end of the first 2-year period of the 4-year plan, the
10	local board shall review and, as needed, amend the 4-
11	year plan to reflect labor market and economic condi-
12	tions.".
13	(b) Contents.—Section 118(b) (29 U.S.C. 2833(b)) is
14	amended—
15	(1) in paragraph (2)—
16	(A) in subparagraph (A), by striking "and"
17	after the semicolon;
18	(B) by striking subparagraph (B) and in-
19	serting the following:
20	"(B) a description of how the local board
21	will facilitate access to services provided through
22	the one-stop delivery system, in remote areas, in-
23	cluding facilitating access through the use of
24	technology; and"; and
25	(C) by adding at the end the following:

1	"(C) a description of how the local board
2	will ensure physical and programmatic accessi-
3	bility for individuals with disabilities at one-
4	stop centers;";
5	(2) in paragraph (9), by striking "; and" and
6	inserting a semicolon;
7	(3) by redesignating paragraph (10) as para-
8	graph (14); and
9	(4) by inserting after paragraph (9) the fol-
10	lowing:
11	"(10) a description of how the local board will
12	coordinate workforce investment activities carried out
13	in the local area with economic development activities
14	carried out in the local area;
15	"(11) a description of the strategies and services
16	that will be initiated in the local area to more fully
17	engage all employers, including small employers, in
18	workforce investment activities, to make the workforce
19	investment system more relevant to the needs of area
20	businesses, and to better coordinate workforce invest-
21	ment and economic development efforts, which may
22	include the implementation of innovative initiatives
23	such as incumbent worker training programs, sectoral
24	and industry cluster strategies, regional skills alliance

initiatives, career ladder programs, utilization of ef-

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1	fective business intermediaries, and other business
2	services and strategies designed to meet the needs of
3	area employers and contribute to the economic well-
4	being of the local area, as determined appropriate by
5	the local board, consistent with the objectives of this
6	title;
7	"(12) a description of how the local board will
8	expand access to education and training services for
9	eligible individuals who are in need of such services
10	through—
11	"(A) the utilization of programs funded
12	under this title; and
13	"(B) the increased leveraging of resources
14	other than those provided under this title, in-
15	cluding tax credits, private sector-provided
16	training, and other Federal, State, local, and
17	private funds that are brokered through the one-
18	stop centers for training services;
19	"(13) a description of how the local board will
20	coordinate workforce investment activities carried out
21	in the local area with the provision of transportation,
22	including public transportation, in the local area;
23	and".

1	SEC. 117. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-
2	TEMS.
3	(a) One-Stop Partners.—
4	(1) Required partners.—Section 121(b)(1)
5	(29 U.S.C. 2841(b)(1)) is amended—
6	(A) by striking subparagraph (A) and in-
7	serting the following:
8	"(A) ROLES AND RESPONSIBILITIES OF
9	One-stop partners.—Each entity that carries
10	out a program or activities described in subpara-
11	graph (B) shall—
12	"(i) provide access through the one-stop
13	delivery system to the programs and activi-
14	ties carried out by the entity, including
15	making the core services described in section
16	134(d)(2) that are applicable to the pro-
17	gram of the entity available at the com-
18	prehensive one-stop centers (in addition to
19	any other appropriate locations);
20	"(ii) use a portion of the funds avail-
21	able to the program of the entity to main-
22	tain the one-stop delivery system, including
23	payment of the infrastructure costs of one-
24	stop centers in accordance with subsection
25	(h);

1	"(iii) enter into a local memorandum
2	of understanding with the local board relat-
3	ing to the operation of the one-stop system
4	that meets the requirements of subsection
5	(c);
6	"(iv) participate in the operation of
7	the one-stop system consistent with the
8	terms of the memorandum of under-
9	standing, the requirements of this title, and
10	the requirements of the Federal laws author-
11	izing the programs carried out by the enti-
12	ty; and
13	"(v) provide representation on the
14	State board to the extent provided under
15	section 111.";
16	(B) in subparagraph (B)—
17	(i) by striking clause (v);
18	(ii) by redesignating clauses (vi)
19	through (xii) as clauses (v) through (xi), re-
20	spectively;
21	(iii) in clause (x) (as redesignated by
22	clause (ii)), by striking "and" at the end;
23	(iv) in clause (xi) (as redesignated by
24	clause (ii)), by striking the period and in-
25	serting "; and"; and

1	(v) by adding at the end the following:
2	"(xii) programs authorized under part
3	A of title IV of the Social Security Act (42
4	U.S.C. 601 et seq.), subject to subparagraph
5	(C)."; and
6	(C) by adding at the end the following:
7	"(C) Determination by the governor.—
8	"(i) In general.—An entity that car-
9	ries out programs referred to in subpara-
10	graph (B)(xii) shall be included in the one-
11	stop partners for the local area, as a re-
12	quired partner, for purposes of this title un-
13	less the Governor of the State provides the
14	notification described in clause (ii).
15	"(ii) Notification.—The notification
16	referred to in clause (i) is a notification
17	that—
18	"(I) is made in writing of a deter-
19	mination by the Governor not to in-
20	clude such entity in the one-stop part-
21	ners described in clause (i); and
22	"(II) is provided to the Secretary
23	and the Secretary of Health and
24	Human Services.".
25	(2) Additional partners.—

1	(A) In General.—Section $121(b)(2)(A)$ (29
2	U.S.C. $2841(b)(2)(A)$ ) is amended to read as fol-
3	lows:
4	"(A) In general.—With the approval of
5	the local board and chief elected official, in addi-
6	tion to the entities described in paragraph (1),
7	other entities that carry out human resource pro-
8	grams described in subparagraph (B) may be
9	one-stop partners and carry out the responsibil-
10	ities described in paragraph (1)(A).".
11	(B) Additional partners.—Section
12	121(b)(2)(B) (29 U.S.C. $2841(b)(2)(B)$ ) is
13	amended by striking clauses (i) through (iii) and
14	inserting the following:
15	"(i) employment and training pro-
16	grams administered by the Social Security
17	Administration, including the Ticket to
18	Work and Self-Sufficiency program estab-
19	lished under section 1148 of the Social Se-
20	curity Act (42 U.S.C. 1320b-19);
21	"(ii) employment and training pro-
22	grams carried out by the Small Business
23	Administration;

1	"(iii) programs authorized under sec-
2	tion 6(d)(4) of the Food Stamp Act of 1977
3	(7 U.S.C. 2015(d)(4));".
4	(b) Local Memorandum of Understanding.—Sec-
5	tion 121(c)(2)(A) (29 U.S.C. 2841(c)(2)(A)) is amended to
6	read as follows:
7	"(A) provisions describing—
8	"(i) the services to be provided through
9	the one-stop delivery system consistent with
10	the requirements of this section, including
11	the manner in which the services will be co-
12	ordinated through such system;
13	"(ii) how the costs of such services and
14	the operating costs of such system will be
15	funded to provide a stable and equitable
16	funding stream for ongoing one-stop system
17	operations, including the funding of the in-
18	frastructure costs of one-stop centers in ac-
19	cordance with subsection (h);
20	"(iii) methods of referral of individuals
21	between the one-stop operator and the one-
22	stop partners for appropriate services and
23	activities;
24	"(iv) methods to ensure the needs of
25	hard-to-serve populations are addressed in

1	providing access to services through the one-
2	stop system; and
3	"(v) the duration of the memorandum
4	of understanding and the procedures for
5	amending the memorandum during the
6	term of the memorandum, and assurances
7	that such memorandum shall be reviewed
8	not less than once every 2-year period to en-
9	sure appropriate funding and delivery of
10	services; and".
11	(c) Conforming Amendment.—Section 121(d)(2) (29
12	$U.S.C.\ 2841(d)(2))$ is amended by striking "section 134(c)"
13	and inserting "section 121(e)".
14	(d) Provision of Services.—
15	(1) Elimination of provisions concerning
16	ESTABLISHED SYSTEMS.—Section 121 (29 U.S.C.
17	2841) is amended by striking subsection (e).
18	(2) Redesignation.—Subtitle $B$ of title $I$ is
19	amended—
20	(A) in section 134 (29 U.S.C. 2864), by re-
21	designating subsection (c) as subsection (e); and
22	(B) by transferring that subsection (e) so
23	that the subsection appears after subsection (d)
24	of section 121.

1	(3) One-stop delivery systems.—Paragraph
2	(1) of section 121(e) (29 U.S.C. 2841(e)) (as redesig-
3	nated by paragraph (2)) is amended—
4	(A) in subparagraph (A), by striking "sub-
5	section $(d)(2)$ " and inserting "section
6	134(d)(2)";
7	(B) in subparagraph $(B)$ —
8	(i) by striking "subsection (d)" and in-
9	serting "section 134(d)";
10	(ii) by striking "individual training
11	accounts" and inserting "career scholarship
12	accounts"; and
13	(iii) by striking "subsection $(d)(4)(G)$ "
14	and inserting "section $134(d)(4)(G)$ ";
15	(C) in subparagraph (C), by striking "sub-
16	section (e)" and inserting "section 134(e)";
17	(D) in subparagraph (D), by striking "sec-
18	tion 121(b)" and inserting "subsection (b)"; and
19	(E) in subparagraph (E), by striking "in-
20	formation described in section 15" and inserting
21	"data, information, and analysis described in
22	section $15(a)$ ".
23	(e) Continuous Improvement of One-Stop Cen-
24	TERS.—Section 121 (29 U.S.C. 2841) is amended by add-
25	ing at the end the following:

1 "(g) Continuous Improvement of One-Stop Cen-2 ters.—

"(1) In General.—The State board, in consultation with chief local elected officials and local boards, shall establish objective criteria and procedures for use by local boards in periodically assessing the effectiveness, physical and programmatic accessibility, and continuous improvement of one-stop centers and one-stop delivery systems.

"(2) CRITERIA.—The procedures and criteria developed under this subsection shall include minimum standards relating to the scope and degree of service coordination achieved by the one-stop delivery system with respect to the programs administered by the one-stop partners at the one-stop centers, consistent with the guidelines and guidance provided by the Governor and by the State board, in consultation with the chief elected official and local boards, for such partners' participation under subsections (h)(1)(B) and subsection (i), respectively, and such other factors relating to the quality, accessibility, and effectiveness of the one-stop delivery system as the State board determines to be appropriate.

"(3) Local board Board by the State, the local board may de-

1	velop additional criteria of higher standards to re-
2	spond to local labor market and demographic condi-
3	tions and trends.
4	"(h) Funding of One-Stop Infrastructure.—
5	"(1) In general.—
6	"(A) Options for infrastructure fund-
7	ING.—
8	"(i) Local options.—The local board,
9	chief elected officials, and one-stop partners
10	in a local area may choose to fund the costs
11	of the infrastructure of one-stop centers
12	through—
13	"(I) methods described in the local
14	memorandum of understanding, if, the
15	local board, chief elected officials, and
16	one-stop partners agree to such meth-
17	ods; or
18	"(II) the State infrastructure
19	funding mechanism described in para-
20	graph(2).
21	"(ii) Failure to reach agreement
22	ON FUNDING METHODS.—If, as of July 1,
23	2004, the local board, chief elected officials,
24	and one-stop partners in a local area fail to
25	reach agreement on methods of sufficient

1	funding of the infrastructure costs of one-
2	stop centers, as determined by the local
3	area, the State infrastructure funding mech-
4	anism described in paragraph (2) shall be
5	applicable to such local area.
6	"(B) Guidance for infrastructure
7	FUNDING.—In addition to carrying out the re-
8	quirements relating to the State mechanism for
9	one-stop center infrastructure funding described
10	in paragraph (2), the Governor, after consulta-
11	tion with chief local elected officials, local boards,
12	and the State board, and consistent with the
13	guidelines provided by the State board under
14	subsection (i), shall provide—
15	"(i) guidelines for State administered
16	one-stop partner programs in determining
17	such programs' contributions to and par-
18	ticipation in the one-stop delivery system,
19	including funding for the costs of infra-
20	structure as defined in paragraph $(2)(D)$ ,
21	negotiated pursuant to the local memo-
22	randum of understanding under subsection
23	(c); and
24	"(ii) guidance to assist local areas in
25	identifying equitable and stable alternative

methods of funding of the costs of the infr	·a-
structure of one-stop centers in local area	us.
3 "(2) State one-stop infrastructure fun	<b>D-</b>
1 ING.—	
"(A) Partner contributions.—	
5 "(i) In general.—Subject to clar	ise
(iii), a portion determined under clause (	ii)
of the Federal funds provided to the Sta	ite
and areas within the State under the Fe	ed-
eral laws authorizing the programs of	le-
scribed in subsection (b)(1) and admin	is-
tered by one-stop partners for a fiscal ye	ar
shall be provided to the Governor from su	ch
programs to assist in paying the costs of i	n-
frastructure of one-stop centers in the	)se
local areas of the State not funded und	ler
the option described in paragra	ph
(1)(A)(i)(I).	
"(ii) Determination of Go	)V-
) ERNOR.—	
"(I) In General.—Subject	to
2 subclause (II) and clause (iii), t	he
Governor, after consultation with ch	ief
local elected officials, local boards, a	nd
the State board, shall determine t	he

1	portion of funds to be provided under
2	clause (i) by each one-stop partner
3	from each program described in clause
4	(i). In making such determination, the
5	Governor shall calculate the propor-
6	tionate use of the one-stop centers for
7	the purpose of determining funding
8	contributions pursuant to clause (i)(II)
9	or (ii) of paragraph (1)(A) by each
10	partner, and the costs of administra-
11	tion for purposes not related to one-
12	stop centers for each partner. The Gov-
13	ernor shall exclude from such deter-
14	mination the portion of funds and use
15	of one-stop centers attributable to the
16	programs of one-stop partners for those
17	local areas of the State where the infra-
18	structure of one-stop centers is funded
19	under the option described in para-
20	$graph\ (1)(A)(i)(I).$
21	"(II) Special rule.—In a State
22	in which the State constitution places
23	policymaking authority that is inde-
24	pendent of the authority of the Gov-
25	ernor in an entity or official with re-

1	spect to the funds provided for adult
2	education and literacy activities au-
3	thorized under title II and for postsec-
4	ondary vocational and technical edu-
5	cation activities authorized under the
6	Carl D. Perkins Vocational and Tech-
7	nical Education Act of 1998 (20
8	U.S.C. 2301 et seq.), or vocational re-
9	habilitation services offered under the
10	Rehabilitation Act of 1973 (29 U.S.C.
11	701 et seq.), the determination de-
12	scribed in subclause (I) with respect to
13	the programs authorized under that
14	title and those Acts shall be made by
15	the chief officer of the entity with such
16	authority in consultation with the
17	Governor.
18	"(III) Appeal by one-stop
19	Partners.—The Governor shall estab-
20	lish a procedure for the one-stop part-
21	ner administering a program described
22	in subsection (b) to appeal a deter-
23	mination regarding the portion of
24	funds to be contributed under this
25	paragraph on the basis that such deter-

1	mination is inconsistent with the cri-
2	teria described in the State plan or
3	with the requirements of this para-
4	graph. Such procedure shall ensure
5	prompt resolution of the appeal.
6	"(iii) Limitations.—
7	"(I) Provision from Adminis-
8	TRATIVE FUNDS.—The funds provided
9	under this paragraph by each one-stop
10	partner shall be provided only from
11	funds available for the costs of admin-
12	istration under the program adminis-
13	tered by such partner, and shall be
14	subject to the program limitations with
15	respect to the portion of funds under
16	such program that may be used for ad-
17	ministration.
18	"(II) CAP ON REQUIRED CON-
19	TRIBUTIONS.—
20	"(aa) WIA FORMULA PRO-
21	GRAMS AND EMPLOYMENT SERV-
22	ICE.—The portion of funds re-
23	quired to be contributed under
24	clause (i)(II) or (ii) of paragraph
25	(1)(A) by the programs authorized

1	under chapters 4 and 5 and under
2	the Wagner-Peyser Act shall not
3	be in excess of 3 percent of the
4	amount of Federal funds provided
5	to carry out each such program in
6	the State for a fiscal year.
7	"(bb) Other one-stop
8	PARTNERS.—The portion of funds
9	required to be contributed under
10	clause (i)(II) or (ii) of paragraph
11	(1)(A) by a one-stop partner from
12	a program described in subsection
13	(b)(1) other than the programs de-
14	scribed under item (aa) shall not
15	be in excess of 1½ percent of the
16	amount of Federal funds provided
17	to carry out such program in the
18	State for a fiscal year.
19	"(cc) Special rule.—Not-
20	withstanding items (aa) and (bb),
21	an agreement, including a local
22	memorandum of understanding,
23	entered into prior to the date of
24	enactment of the Workforce Invest-
25	ment Act Amendments of 2003 by

1	an entity regarding contributions
2	under this title that permits the
3	percentages described in such
4	items to be exceeded, may con-
5	tinue to be in effect until termi-
6	nated by the parties.
7	"(dd) Vocational reha-
8	${\it BILITATION.} -\!\!-\!\! Not with standing$
9	items (aa) and (bb), an entity ad-
10	ministering a program under title
11	I of the Rehabilitation Act of 1973
12	(29 U.S.C. 720 et seq.) shall not
13	be required to provide, for the
14	purposes of this paragraph, an
15	amount in excess of—
16	"(AA) 0.75 percent of
17	the amount provided for such
18	program in the State for the
19	second program year that be-
20	gins after the date of enact-
21	ment of the Workforce Invest-
22	ment Act Amendments of
23	2003;
24	"(BB) 1.0 percent of the
25	amount provided for such

1	program in the State for the
2	third program year that be-
3	gins after such date;
4	"(CC) 1.25 percent of
5	the amount provided for such
6	program in the State for the
7	fourth program year that be-
8	gins after such date; and
9	"(DD) 1.5 percent of the
10	amount provided for such
11	program in the State for the
12	fifth and each succeeding
13	program year that begins
14	after such date.
15	"(III) FEDERAL DIRECT SPEND-
16	ING PROGRAMS.—An entity admin-
17	istering a program funded with direct
18	spending as defined in section
19	250(c)(8) of the Balanced Budget and
20	Emergency Deficit Control Act of 1985
21	(2 U.S.C. $900(c)(8)$ ) shall not be re-
22	quired to provide, for purposes of this
23	paragraph, an amount in excess of the
24	amount determined to be equivalent to
25	the cost of the proportionate use of the

1	one-stop centers for such program in
2	the State.
3	"(IV) NATIVE AMERICAN PRO-
4	GRAMS.—Native American programs
5	established under section 166 shall not
6	be subject to the provisions of this sub-
7	section or subsection (i). The method
8	for determining the appropriate por-
9	tion of funds to be provided by such
10	Native American programs to pay for
11	the costs of infrastructure of a one-stop
12	center shall be determined as part of
13	the development of the memorandum of
14	understanding under subsection (c) for
15	the one-stop center and shall be stated
16	in the memorandum.
17	"(B) Allocation by Governor.—From
18	the funds provided under subparagraph (A), the
19	Governor shall allocate the funds to local areas
20	in accordance with the formula established under
21	subparagraph (C) for the purposes of assisting in
22	paying the costs of infrastructure of one-stop cen-
23	ters.
24	"(C) Allocation formula.—The State
25	board shall develop a formula to be used by the

Governor to allocate the funds provided under subparagraph (A) to local areas not funding infrastructure costs under the option described in paragraph (1)(A)(i)(I). The formula shall be based on factors including the number of onestop centers in a local area, the population served by such centers, the services provided by such centers, and other factors relating to the performance of such centers that the State board determines are appropriate.

"(D) Costs of infrastructure.—In this subsection, the term 'costs of infrastructure', used with respect to a one-stop center, means the non-personnel costs that are necessary for the general operation of the one-stop center, including the rental costs of the facilities, the costs of utilities and maintenance, equipment (including adaptive technology for individuals with disabilities), and technology to facilitate remote access to the one-stop center's strategic planning activities, and common outreach activities.

## "(i) OTHER FUNDS.—

"(1) In General.—Subject to the memorandum of understanding described in subsection (c) for the one-stop delivery system involved, in addition to the

funds provided to carry out subsection (h), a portion of funds made available under Federal law authorizing the programs described in subsection (b) and administered by one-stop partners, or the noncash resources available under such programs, shall be used to pay the additional costs relating to the operation of the one-stop delivery system that are not paid from the funds provided under subsection (h), as determined in accordance with paragraph (2), to the extent not inconsistent with the Federal law involved. Such costs shall include the costs of the provision of core services described in section 134(d)(2) applicable to each program and may include common costs that are not paid from the funds provided under subsection (h).

"(2) Determination and Guidance.—The method for determining the appropriate portion of funds and noncash resources to be provided by each program under paragraph (1) for a one-stop center shall be determined as part of the development of the memorandum of understanding under subsection (c) for the one-stop center and shall be stated in the memorandum. The State board shall provide guidance to facilitate the determination of an appropriate allo-

1	cation of the funds and noncash resources in local
2	areas.".
3	SEC. 118. ELIGIBLE PROVIDERS OF TRAINING SERVICES.
4	Section 122 (29 U.S.C. 2842) is amended to read as
5	follows:
6	"SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF
7	TRAINING SERVICES.
8	"(a) In General.—The Governor, after consultation
9	with the State board, shall establish criteria and procedures
10	regarding the eligibility of providers of training services de-
11	scribed in section $134(d)(4)$ (referred to in this section as
12	'training services') to receive funds provided under section
13	133(b) for the provision of training services.
14	"(b) Criteria.—
15	"(1) In general.—The criteria established by
16	the Governor pursuant to subsection (a) shall take
17	into account—
18	"(A) the performance of providers of train-
19	ing services with respect to the performance
20	measures described in section 136 or other ap-
21	propriate measures of performance outcomes for
22	those individuals receiving training services
23	under this subtitle (taking into consideration the
24	characteristics of the population served and rel-
25	evant economic conditions):

1	"(B) the need to ensure access to training
2	services throughout the State, including any
3	rural areas;
4	"(C) the information such providers are re-
5	quired to report to State agencies with respect to
6	Federal and State programs (other than the pro-
7	gram carried out under this subtitle), including
8	one-stop partner programs;
9	"(D) the requirements for State licensing of
10	providers of training services, and the licensing
11	status of each provider of training services if ap-
12	plicable;
13	"(E) to the extent practicable, encouraging
14	the use of industry-recognized standards and cer-
15	tification;
16	"(F) the ability to provide training services
17	to hard-to-serve populations, including individ-
18	uals with disabilities; and
19	"(G) such other factors as the Governor de-
20	termines are appropriate to ensure—
21	"(i) the quality of services provided;
22	"(ii) the accountability of the pro-
23	viders;
24	"(iii) that the one-stop centers in the
25	State will ensure that such providers meet

1	the needs of local employers and partici-
2	pants;
3	"(iv) the informed choice of partici-
4	pants under chapter 5; and
5	"(v) that the collection of information
6	required is not unduly burdensome or costly
7	to providers.
8	"(2) Information and renewal.—The criteria
9	established by the Governor shall require that a pro-
10	vider of training services submit appropriate, accu-
11	rate, and timely information to the State for purposes
12	of carrying out subsection (d). The criteria shall also
13	provide for annual review and renewal of eligibility
14	under this section for providers of training services.
15	"(3) Local criteria.—A local board in the
16	State may establish criteria in addition to the cri-
17	teria established by the Governor, or may require
18	higher levels of performance than required under the
19	criteria established by the Governor, for purposes of
20	determining the eligibility of providers of training
21	services to receive funds described in subsection (a) to
22	provide the services in the local area involved.
23	"(c) Procedures.—The procedures established under
24	subsection (a) shall identify the application process for a
25	provider of training services to become eligible to receive

- 1 funds provided under section 133(b) for the provision of
- 2 training services, and identify the respective roles of the
- 3 State and local areas in receiving and reviewing the appli-
- 4 cations and in making determinations of such eligibility
- 5 based on the criteria established under this section. The pro-
- 6 cedures shall also establish a process for a provider of train-
- 7 ing services to appeal a denial or termination of eligibility
- 8 under this section, that includes an opportunity for a hear-
- 9 ing and prescribes appropriate time limits to ensure
- 10 prompt resolution of the appeal.
- 11 "(d) Information To Assist Participants in
- 12 Choosing Providers.—
- 13 "(1) In general.—In order to facilitate and as-
- sist participants in choosing employment and train-
- ing activities under chapter 5 and in choosing pro-
- viders of training services, the Governor shall ensure
- 17 that an appropriate list of providers determined to be
- eligible under this section in the State, accompanied
- by appropriate information provided by providers of
- training services in the State in accordance with sub-
- 21 section (b) and such other information as the Gov-
- 22 ernor determines is appropriate, including informa-
- 23 tion on program costs for participants in applicable
- programs, is provided to the one-stop delivery system
- in the State. The list and the information shall be

made available to such participants and to members
of the public through the one-stop delivery system in
the State.

"(2) Special Rule.—An entity that carries out programs under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act', 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.) shall be included on the list of eligible providers described in paragraph (1) for so long as such entity remains certified by the Department of Labor.

## "(e) Enforcement.—

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"(1) In General.—The criteria and procedures established under this section shall provide the following:

"(A) Intentionally supplying inac-Curate information.—Upon a determination, by an individual or entity specified in the criteria or procedures, that a provider of training services, or individual providing information on behalf of the provider, intentionally supplied inaccurate information under this section, the eligibility of such provider to receive funds under chapter 5 shall be terminated for a period of time that is not less than 2 years.

- "(B) Substantial violations.—Upon a 1 2 determination, by an individual or entity specified in the criteria or procedures, that a provider 3 4 of training services substantially violated any re-5 quirement under this title, the eligibility of such 6 provider to receive funds under the program in-7 volved may be terminated, or other appropriate 8 action may be taken. 9 "(C) Repayment.—A provider of training 10 services whose eligibility is terminated under
  - "(C) Repayment.—A provider of training services whose eligibility is terminated under subparagraph (A) or (B) shall be liable for the repayment of funds received under chapter 5 during a period of noncompliance described in such subparagraph.
- 15 "(2) Construction.—Paragraph (1) shall be 16 construed to provide remedies and penalties that sup-17 plement, but do not supplant, other civil and crimi-18 nal remedies and penalties.
- "(f) AGREEMENTS WITH OTHER STATES.—States
  may enter into agreements, on a reciprocal basis, to permit
  eligible providers of training services to accept career scholarship accounts provided in another State.
- 23 "(g) Opportunity To Submit Comments.—In estab-24 lishing criteria, procedures, and information required 25 under this section, the Governor shall provide an oppor-

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1	tunity for interested members of the public to make rec-
2	ommendations and submit comments regarding such cri-
3	teria, procedures, and information.
4	"(h) Transition Period for Implementation.—
5	The requirements of this section shall be implemented not
6	later than December 31, 2004. In order to facilitate early
7	implementation of this section, the Governor may establish
8	transition procedures under which providers eligible to pro-
9	vide training services under chapter 5 as such chapter was
10	in effect on the day before the date of enactment of the Work-
11	force Investment Act Amendments of 2003 may continue to
12	be eligible to provide such services until December 31, 2004,
13	or until such earlier date as the Governor determines to be
14	appropriate.
15	"(i) On-the-Job Training or Customized Train-
16	ING EXCEPTION.—
17	"(1) In general.—Providers of on-the-job train-
18	ing or customized training shall not be subject to the
19	requirements of subsections (a) through (h).
20	"(2) Collection and dissemination of infor-
21	MATION.—A one-stop operator in a local area shall
22	collect such performance information from on-the-job
23	training and customized training providers as the

Governor may require, determine whether the pro-

 $viders\ meet\ such\ performance\ criteria\ as\ the\ Governor$ 

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- 1 may require, and disseminate information identifying
- 2 providers that meet the criteria as eligible providers,
- 3 and the performance information, through the one-
- 4 stop delivery system. Providers determined to meet the
- 5 criteria shall be considered to be identified as eligible
- 6 providers of training services.".

## 7 SEC. 119. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

- 8 Section 123 (29 U.S.C. 2843) is amended to read as
- 9 follows:

## 10 "SEC. 123. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

- 11 "(a) In General.—From the funds allocated under
- 12 section 128(b) to a local area, the local board for such area
- 13 shall award grants or contracts on a competitive basis to
- 14 providers of youth activities identified based on the criteria
- 15 in the State plan described in section 112 and shall conduct
- 16 oversight with respect to such providers.
- 17 "(b) Exceptions.—A local board may award grants
- 18 or contracts on a sole-source basis if such board determines
- 19 there is an insufficient number of eligible providers of youth
- 20 activities in the local area involved (such as a rural area)
- 21 for grants and contracts to be awarded on a competitive
- 22 basis under subsection (a).".
- 23 SEC. 120. YOUTH ACTIVITIES.
- 24 (a) State Allotments.—Section 127 (29 U.S.C.
- 25 2852) is amended—

1	(1) in subsection $(a)(1)$ , by striking "oppor-
2	tunity" and inserting "challenge"; and
3	(2) by striking subsection (b) and inserting the
4	following:
5	"(b) Allotment Among States.—
6	"(1) Youth activities.—
7	"(A) Youth challenge grants.—
8	"(i) In general.—For each fiscal
9	year in which the amount appropriated
10	under section 137(a) exceeds
11	\$1,000,000,000, the Secretary shall reserve a
12	portion of the amount to provide youth
13	challenge grants and other activities under
14	section 169 (relating to youth challenge
15	grants) and provide youth activities under
16	section 167 (relating to migrant and sea-
17	sonal farmworker programs).
18	"(ii) Portion.—The portion referred
19	to in clause (i) shall equal, for a fiscal
20	year—
21	"(I) except as provided in sub-
22	clause (II), the difference obtained by
23	subtracting \$1,000,000,000 from the
24	amount appropriated under section
25	137(a) for the fiscal year; or

1	"(II) for any fiscal year in which
2	the amount is \$1,250,000,000 or great-
3	er, \$250,000,000.
4	"(iii) Youth activities for farm-
5	WORKERS.—The Secretary shall reserve the
6	greater of \$10,000,000 or 4 percent of the
7	portion described in clause (i) for a fiscal
8	year to provide youth activities under sec-
9	tion 167.
10	"(iv) Native americans.—From the
11	remainder of the amount appropriated
12	under section 137(a) for each fiscal year the
13	Secretary shall reserve not more than 1½
14	percent of such amount to provide youth ac-
15	tivities under section 166 (relating to Na-
16	$tive\ Americans).$
17	"(B) Outlying Areas.—
18	"(i) In general.—From the amount
19	made available under subsection (a)(2) for
20	each fiscal year the Secretary shall reserve
21	not more than ½ of 1 percent of the amount
22	appropriated under section 137(a) for the
23	fiscal year to provide assistance to the out-
24	lying areas to carry out youth activities

1	and statewide workforce investment activi-
2	ties.
3	"(ii) Limitation for freely associ-
4	ATED STATES.—
5	"(I) Competitive grants.—The
6	Secretary shall use funds described in
7	clause (i) to award grants to Guam,
8	American Samoa, the Commonwealth
9	of the Northern Mariana Islands, and
10	the Freely Associated States to carry
11	out youth activities and statewide
12	workforce investment activities.
13	"(II) AWARD BASIS.—The Sec-
14	retary shall award grants pursuant to
15	subclause (I) on a competitive basis
16	and pursuant to the recommendations
17	of experts in the field of employment
18	and training, working through the Pa-
19	cific Region Educational Laboratory
20	in Honolulu, Hawaii.
21	"(III) Assistance require-
22	MENTS.—Any Freely Associated State
23	that desires to receive assistance under
24	this subparagraph shall submit an ap-
25	plication to the Secretary and shall in-

1	clude in the application for assist-
2	ance—
3	``(aa) information dem-
4	onstrating that the Freely Associ-
5	ated State will meet all conditions
6	that apply to States under this
7	title;
8	"(bb) an assurance that, not-
9	withstanding any other provision
10	of this title, the Freely Associated
11	State will use such assistance only
12	for the direct provision of services;
13	and
14	"(cc) such other information
15	and assurances as the Secretary
16	may require.
17	"(IV) Administrative costs.—
18	The Secretary may provide not more
19	than 5 percent of the funds made
20	available for grants under subclause (I)
21	to pay the administrative costs of the
22	Pacific Region Educational Labora-
23	tory in Honolulu, Hawaii, regarding
24	activities assisted under this clause.

1	"(iii) Additional requirement.—
2	The provisions of Public Law 95–134, per-
3	mitting the consolidation of grants by the
4	outlying areas, shall not apply to assistance
5	provided to those areas, including the Free-
6	ly Associated States, under this subpara-
7	graph.
8	"(C) States.—
9	"(i) In general.—From the remain-
10	der of the amount appropriated under sec-
11	tion 137(a) for a fiscal year that exists after
12	the Secretary determines the amounts to be
13	reserved under subparagraphs (A) and (B),
14	the Secretary shall allot to the States—
15	"(I) an amount of the remainder
16	that is less than or equal to the total
17	amount that was allotted to States for
18	fiscal year 2003 under section
19	127(b)(1)(C) of this Act (as in effect on
20	the day before the date of enactment of
21	the Workforce Investment Act Amend-
22	ments of 2003), in accordance with the
23	requirements of such section
24	$127(b)(1)(C); \ and$

1	"(II) the amount of the remain-
2	der, if any, in excess of the amount re-
3	ferred to in subclause (I), in accord-
4	ance with clause (ii).
5	"(ii) Formula.—Subject to clauses
6	(iii) and (iv), of the amount described in
7	clause (i)(II)—
8	"(I) 33 $^{1}$ /3 percent shall be allotted
9	on the basis of the relative number of
10	individuals in the civilian labor force
11	who are ages 16 through 21 in each
12	State, compared to the total number of
13	individuals in the civilian labor force
14	who are ages 16 through 21 in all
15	States;
16	"(II) 33½ percent shall be allot-
17	ted on the basis of the relative number
18	of unemployed individuals in each
19	State, compared to the total number of
20	unemployed individuals in all States;
21	and
22	"(III) 33½ percent shall be allot-
23	ted on the basis of the relative number
24	of disadvantaged youth who are ages
25	16 through 21 in each State, compared

1	to the total number of disadvantaged
2	youth who are ages 16 through 21 in
3	all States.
4	"(iii) Minimum and maximum per-
5	CENTAGES.—
6	"(I) Minimum percentage.—The
7	Secretary shall ensure that no State
8	shall receive an allotment percentage
9	under this subparagraph for a fiscal
10	year that is less than 90 percent of the
11	allotment percentage of the State for
12	the preceding fiscal year.
13	"(II) MAXIMUM PERCENTAGE.—
14	Subject to subclause (I), the Secretary
15	shall ensure that no State shall receive
16	an allotment percentage under this
17	subparagraph for a fiscal year that is
18	more than 130 percent of the allotment
19	percentage of the State for the pre-
20	ceding fiscal year.
21	"(iv) Small state minimum allot-
22	MENT.—Subject to clause (iii), the Sec-
23	retary shall ensure that no State shall re-
24	ceive an allotment under this subparagraph
25	that is less than the total of—

1	"(I) $^3$ /10 of 1 percent of
2	\$1,000,000,000 of the remainder de-
3	scribed in clause (i) for the fiscal year;
4	and
5	"(II) if the remainder described
6	in clause (i) for the fiscal year exceeds
7	\$1,000,000,000, <sup>2</sup> / <sub>5</sub> of 1 percent of the
8	excess.
9	"(2) Definitions.—For the purposes of para-
10	graph (1):
11	"(A) Allotment percentage.—The term
12	'allotment percentage', used with respect to fiscal
13	year 2004 or a subsequent fiscal year, means a
14	percentage of the remainder described in para-
15	graph (1)(C)(i) that is received by the State in-
16	volved through an allotment made under this
17	subsection for the fiscal year. The term, used
18	with respect to fiscal year 2003, means the per-
19	centage of the amounts allotted to States under
20	this chapter (as in effect on the day before the
21	date of enactment of the Workforce Investment
22	Act Amendments of 2003) that is received by the
23	State involved for fiscal year 2003.
24	"(B) Disadvantaged youth.—Subject to
25	paragraph (3), the term 'disadvantaged youth'

1	means an individual who is age 16 through 21
2	who received an income, or is a member of a
3	family that received a total family income, that,
4	in relation to family size, does not exceed the
5	higher of—
6	"(i) the poverty line; or
7	"(ii) 70 percent of the lower living
8	standard income level.
9	"(C) Freely associated state.—The
10	term 'Freely Associated State' means the Repub-
11	lic of the Marshall Islands, the Federated States
12	of Micronesia, and the Republic of Palau.
13	"(3) Special rule.—For purposes of the for-
14	mula specified in paragraph (1)(C), the Secretary
15	shall, as appropriate and to the extent practicable, ex-
16	clude college students and members of the Armed
17	Forces from the determination of the number of dis-
18	advantaged youth.".
19	(b) Reallotment.—
20	(1) Amendment.—Section 127(c) (29 U.S.C.
21	2852(c)) is amended—
22	(A) by striking paragraph (2) and inserting
23	$the\ following:$
24	"(2) Amount.—The amount available for real-
25	lotment for a program year is equal to the amount

1	by which the unexpended balance at the end of the
2	program year prior to the program year for which the
3	determination is made exceeds 30 percent of the total
4	amount of funds available to the State under this sec-
5	tion during such prior program year (including
6	amounts allotted to the State in all prior program
7	years that remained available). For purposes of this
8	paragraph, the unexpended balance is the amount
9	that is the difference between—
10	"(A) the total amount of funds available to
11	the State under this section during the program
12	year prior to the program year for which the de-
13	termination is made (including amounts allotted
14	to the State in all prior program years that re-
15	mained available); and
16	"(B) the accrued expenditures during such
17	prior program year.";
18	(B) in paragraph (3)—
19	(i) by striking "for the prior program
20	year" and inserting "for the program year
21	for which the determination is made"; and
22	(ii) by striking "such prior program
23	year" and inserting "such program year";
24	(C) by striking paragraph (4) and inserting
25	the following:

1	"(4) Eligibility.—For purposes of this sub-
2	section, an eligible State means a State that does not
3	have an amount available for reallotment under para-
4	graph (2) for the program year for which the deter-
5	mination under paragraph (2) is made."; and
6	(D) in paragraph (5), by striking "obliga-
7	tion" and inserting "accrued expenditure".
8	(2) Effective date.—The amendment made by
9	paragraph (1) shall take effect for the program year
10	that begins after the date of enactment of this Act.
11	(c) Within State Allocations.—
12	(1) Reservation for statewide activities.—
13	Section 128(a) (29 U.S.C. 2853(a)) is amended to
14	read as follows:
15	"(a) Reservations for Statewide Activities.—
16	"(1) In general.—The Governor of a State
17	shall reserve not more than 15 percent of each of the
18	amounts allotted to the State under section
19	127(b)(1)(C) and paragraphs $(1)(B)$ and $(2)(B)$ of
20	section 132(b) for a fiscal year for statewide workforce
21	investment activities.
22	"(2) Use of funds.—Regardless of whether the
23	reserved amounts were allotted under section
24	127(b)(1)(C), or under paragraph $(1)(B)$ or $(2)(B)$ of
25	section 132(b), the Governor may use the reserved

1	amounts to carry out statewide activities under sec-
2	tion 129(b) or statewide employment and training ac-
3	tivities, for adults or dislocated workers, under section
4	134(a).".
5	(2) WITHIN STATE ALLOCATION.—Section 128(b)
6	(29 U.S.C. 2853(b)) is amended to read as follows:
7	"(b) Within State Allocations.—
8	"(1) In general.—Of the amount allotted to the
9	State under section 127(b)(1)(C) and not reserved
10	under subsection (a)(1)—
11	"(A) a portion equal to not less than 80
12	percent of such amount shall be allocated by the
13	Governor to local areas in accordance with para-
14	graph (2); and
15	"(B) a portion equal to not more than 20
16	percent of such amount may be allocated by the
17	Governor to local areas in accordance with para-
18	graph (3).
19	"(2) Established formula.—
20	"(A) In General.—Of the portion de-
21	scribed in paragraph (1)(A), the Governor shall
22	allocate—
23	"(i) 33½ percent on the basis of the
24	relative number of individuals in the civil-
25	ian labor force who are ages 16 through 21

1	in each local area, compared to the total
2	number of individuals in the civilian labor
3	force who are ages 16 through 21 in all
4	local areas in the State;
5	"(ii) 33½ percent on the basis of the
6	relative number of unemployed individuals
7	in each local area, compared to the total
8	number of unemployed individuals in all
9	local areas in the State; and
10	"(iii) 33½ percent on the basis of the
11	relative number of disadvantaged youth who
12	are ages 16 through 21 in each local area,
13	compared to the total number of disadvan-
14	taged youth who are ages 16 through 21 in
15	all local areas in the State.
16	"(B) Minimum and maximum percent-
17	AGES.—
18	"(i) Minimum percentage.—The
19	Governor shall ensure that no local area
20	shall receive an allocation percentage under
21	this paragraph for a fiscal year that is less
22	than 90 percent of the allocation percentage
23	of the local area for the preceding fiscal
24	year.

1 "(ii) MAXIMUM PERCENTAGE.—Subject
2 to clause (i), the Governor shall ensure that
3 no local area shall receive an allocation per4 centage under this paragraph for a fiscal
5 year that is more than 130 percent of the
6 allocation percentage of the local area for
7 the preceding fiscal year.

## "(C) DEFINITIONS.—In this paragraph:

"(i) Allocation percentage', used with respect to fiscal year 2004 or a subsequent fiscal year, means a percentage of the portion described in paragraph (1)(A) that is received by the local area involved through an allocation made under this paragraph for the fiscal year. The term, used with respect to fiscal year 2003, means the percentage of the amounts allocated to local areas under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2003) that is received by the local area involved for fiscal year 2003.

1	"(ii) DISADVANTAGED YOUTH.—The
2	term 'disadvantaged youth' means an indi-
3	vidual who—
4	"(I) is age 16 through 21;
5	"(II) is not a college student or
6	member of the Armed Forces; and
7	"(III) received an income, or is a
8	member of a family that received a
9	total family income, that, in relation
10	to family size, does not exceed the high-
11	er of—
12	"(aa) the poverty line; or
13	"(bb) 70 percent of the lower
14	living standard income level.
15	"(3) Youth discretionary allocation.—The
16	Governor may allocate the portion described in para-
17	graph (1)(B) to local areas where there are a signifi-
18	cant number of eligible youth, after consultation with
19	the State board and local boards.
20	"(4) Local administrative cost limit.—
21	"(A) In General.—Of the amount allo-
22	cated to a local area under this subsection and
23	section 133(b) for a fiscal year, not more than 10
24	percent of the amount may be used by the local
25	board involved for the administrative costs of

1	carrying out local workforce investment activities
2	under this chapter or chapter 5.
3	"(B) Use of funds.—Funds made avail-
4	able for administrative costs under subparagraph
5	(A) may be used for the administrative costs of
6	any of the local workforce investment activities
7	described in this chapter or chapter 5, regardless
8	of whether the funds were allocated under this
9	subsection or section 133(b).".
10	(3) Reallocation.—
11	(A) Amendment.—Section $128(c)$ (29)
12	U.S.C. 2853(c)) is amended—
13	(i) in paragraph (1), by striking
14	"paragraph (2)(A) or (3) of";
15	(ii) by striking paragraph (2) and in-
16	serting the following:
17	"(2) Amount.—The amount available for re-
18	allocation for a program year is equal to the amount
19	by which the unexpended balance at the end of the
20	program year prior to the program year for which the
21	determination is made exceeds 30 percent of the total
22	amount of funds available to the local area under this
23	section during such prior program year (including
24	amounts allocated to the local area in all prior pro-
25	gram years that remained available). For purposes of

1	this paragraph, the unexpended balance is the
2	amount that is the difference between—
3	"(A) the total amount of funds available to
4	the local area under this section during the pro-
5	gram year prior to the program year for which
6	the determination is made (including amounts
7	allocated to the local area in all prior program
8	years that remained available); and
9	"(B) the accrued expenditures during such
10	prior program year.";
11	(iii) by amending paragraph (3)—
12	(I) by striking "subsection (b)(3)"
13	each place it appears and inserting
14	"subsection (b)";
15	(II) by striking "for the prior
16	program year" the first place it ap-
17	pears and inserting "for the program
18	year for which the determination is
19	made";
20	(III) by striking "such prior pro-
21	gram year" and inserting "such pro-
22	gram year"; and
23	(IV) by striking the last sentence;
24	and

1	(iv) by striking paragraph (4) and in-
2	serting the following:
3	"(4) Eligibility.—For purposes of this sub-
4	section, an eligible local area means a local area that
5	does not have an amount available for reallocation
6	under paragraph (2) for the program year for which
7	the determination under paragraph (2) is made.".
8	(B) Effective date.—The amendments
9	made by subparagraph (A) shall take effect for
10	the later of—
11	(i) the program year that begins after
12	the date of enactment of this Act; or
13	(ii) program year 2004.
14	(d) Youth Participant Eligibility.—Section
15	129(a) (29 U.S.C. 2854(a)) is amended to read as follows:
16	"(a) Youth Participant Eligibility.—
17	"(1) Eligibility.—
18	"(A) In general.—To be eligible to par-
19	ticipate in activities carried out under this chap-
20	ter during any program year an individual
21	shall, at the time the eligibility determination is
22	made, be an out-of-school youth or an in-school
23	youth.

1	"(B) Out-of-school youth.—In this title
2	the term 'out-of-school youth' means an indi-
3	vidual who is—
4	"(i) not younger than age 16 (subject
5	to paragraph (3)) nor older than age 21;
6	and
7	"(ii) one of the following:
8	$"(I)\ A\ school\ dropout.$
9	"(II) A youth who is within the
10	age for compulsory school attendance,
11	but has not attended school for at least
12	1 school year calendar quarter.
13	"(III) A recipient of a secondary
14	school diploma or its equivalent who
15	is—
16	"(aa) deficient in basic skills,
17	including limited English pro-
18	ficiency;
19	"(bb) a low-income indi-
20	vidual; and
21	"(cc) not attending any
22	school.
23	"(IV) Subject to the juvenile jus-
24	tice system or ordered by a court to an
25	alternative school

1	"(V) A low-income individual who
2	is pregnant or parenting and not at-
3	tending any school.
4	"(VI) A youth who is not attend-
5	ing school or a youth attending an al-
6	ternative school, who is homeless, a
7	runaway, a foster child, a child eligible
8	for assistance under section 477 of the
9	Social Security Act, or in an out-of-
10	home placement.
11	"(VII) A low-income individual
12	who requires additional assistance to
13	complete an educational program or to
14	secure or hold employment.
15	"(C) In-school youth.—In this section
16	the term 'in-school youth' means an individual
17	who is—
18	"(i) not younger than age 14 nor older
19	than age 21;
20	"(ii) a low-income individual; and
21	"(iii) one or more of the following:
22	"(I) Deficient in basic literacy
23	skills, including limited English pro-
24	ficiency.

1	"(II) Homeless, a runaway, a fos-
2	ter child, a child eligible for assistance
3	under section 477 of the Social Secu-
4	rity Act, or in an out-of-home place-
5	ment.
6	"(III) Pregnant or parenting.
7	"(IV) An offender (other than an
8	individual described in subparagraph
9	(B)(ii)(IV)).
10	"(V) An individual who requires
11	additional assistance to complete an
12	educational program or to secure or
13	$hold\ employment.$
14	"(2) Exception.—Not more than 5 percent of
15	the individuals assisted under this section in each
16	local area, in the case of individuals for whom low
17	income is a requirement for eligibility under this sec-
18	tion, may be individuals who are not low income.
19	"(3) Limitations on activities for in-school
20	YOUTH.—
21	"(A) In general.—For any program year,
22	not more than 60 percent of the funds available
23	for statewide activities under subsection (b), and
24	not more than 60 percent of funds available to
25	local areas under subsection (c), may be used to

1	provide activities for in-school youth meeting the
2	requirements of paragraph $(1)(B)$ .
3	"(B) Exception.—A State that receives a
4	minimum allotment under section 127(b)(1) in
5	accordance with $section$ $127(b)(1)(C)(iv)$ or
6	under section 132(b)(1) in accordance with sec-
7	tion $132(b)(1)(B)(iv)(II)$ may increase the per-
8	centage described in subparagraph (A) for a
9	local area in the State, if—
10	"(i) after an analysis of the eligible
11	youth population in the local area, the
12	State determines that the local area will be
13	unable to use at least 40 percent of the
14	funds available for activities under sub-
15	section (b) or (c) to serve out-of-school youth
16	due to a low number of out-of-school youth;
17	and
18	"(ii)(I) the State submits to the Sec-
19	retary, for the local area, a request includ-
20	ing a proposed increased percentage for
21	purposes of subparagraph (A), and the sum-
22	mary of the eligible youth population anal-
23	ysis; and
24	"(II) the request is approved by the
25	Secretary.

1	"(4) Consistency with compulsory school
2	ATTENDANCE LAWS.—In providing assistance under
3	this section to an individual who is required to attend
4	school under applicable State compulsory school at-
5	tendance laws, the priority in providing such assist-
6	ance shall be for the individual to attend school regu-
7	larly.".
8	(e) Statewide Activities.—Section 129(b) (29
9	U.S.C. 2854(b)) is amended to read as follows:
10	"(b) Statewide Activities.—
11	"(1) In general.—Funds reserved by a Gov-
12	ernor for a State as described in sections 128(a) and
13	133(a)(1) shall be used, regardless of whether the
14	funds were allotted to the State under section
15	127(b)(1)(C) or under paragraph $(1)(B)$ or $(2)(B)$ of
16	section 132(b) for statewide activities, which may in-
17	clude—
18	"(A) conducting—
19	"(i) evaluations under section 136(e) of
20	activities authorized under this chapter and
21	chapter 5 in coordination with evaluations
22	carried out by the Secretary under section
23	172;
24	"(ii) research; and
25	"(iii) demonstration projects;

1	"(B) providing incentive grants to local
2	areas for regional cooperation among local
3	boards (including local boards in a designated
4	region as described in section 116(c)), for local
5	coordination of activities carried out under this
6	title, and for performance by local areas as de-
7	scribed in section 136(i)(2);
8	"(C) providing technical assistance and ca-
9	pacity building activities to local areas, one-stop
10	operators, one-stop partners, and eligible pro-
11	viders, including the development and training
12	of staff, the development of exemplary program
13	activities, the provision of technical assistance to
14	local areas that fail to meet local performance
15	measures described in section 136(c), and the
16	provision of technology to facilitate remote access
17	to services provided through one-stop delivery
18	systems;
19	"(D) operating a fiscal and management
20	accountability information system under section
21	136(f);
22	"(E) carrying out monitoring and oversight

of activities carried out under this chapter and

chapter 5, which may include a review com-

23

1	paring the services provided to male and female
2	youth;
3	"(F) providing additional assistance to
4	local areas that have high concentrations of eligi-
5	ble youth;
6	"(G) supporting the development of alter-
7	native programs and other activities that en-
8	hance the choices available to eligible youth and
9	encourage such youth to reenter secondary edu-
10	cation, enroll in postsecondary education and
11	advanced training, and obtain career path em-
12	ployment; and
13	"(H) supporting the provision of core serv-
14	ices described in section $134(d)(2)$ in the one-
15	stop delivery system in the State.
16	"(2) Limitation.—Not more than 5 percent of
17	the funds allotted to a State under section
18	127(b)(1)(C) shall be used by the State for adminis-
19	trative activities carried out under this subsection or
20	section $134(a)$ .
21	"(3) Prohibition.—No funds described in this
22	subsection may be used to develop or implement edu-
23	cation curricula for school systems in the State.".
24	(f) Local Elements and Requirements.—

1	(1) $PROGRAM$ $DESIGN.—Section$ $129(c)(1)$ (29)
2	U.S.C. 2854(c)(1)) is amended—
3	(A) in the matter that precedes subpara-
4	graph (A), by striking "paragraph (2)(A) or (3),
5	as appropriate, of";
6	(B) in subparagraph (B), by inserting "are
7	directly linked to 1 or more of the performance
8	measures relating to this chapter under section
9	136, and that" after "for each participant that";
10	and
11	(C) in subparagraph (C)—
12	(i) by redesignating clauses (i) through
13	(iv) as clauses (ii) through (v), respectively;
14	(ii) by inserting before clause (ii) (as
15	redesignated by clause (i)) the following:
16	"(i) activities leading to the attain-
17	ment of a secondary school diploma or its
18	equivalent, or another recognized creden-
19	tial;";
20	(iii) in clause (ii) (as redesignated by
21	clause (i)), by inserting "and advanced
22	training" after "opportunities";
23	(iv) in clause (iii) (as redesignated by
24	clause (i))—

1	(I) by inserting "instruction
2	based on State academic content and
3	student academic achievement stand-
4	ards established under section 1111 of
5	the Elementary and Secondary Edu-
6	cation Act of 1965 (20 U.S.C. 6311)"
7	after "academic"; and
8	(II) by inserting "that lead to the
9	attainment of recognized credentials"
10	after "learning"; and
11	(v) by striking clause (v) (as redesig-
12	nated by clause (i)) and inserting the fol-
13	lowing:
14	"(v) effective connections to all employ-
15	ers, including small employers, in sectors of
16	the local and regional labor markets that
17	are experiencing high growth in employ-
18	ment opportunities.".
19	(2) Program elements.—Section 129(c)(2) (29
20	U.S.C. 2854(c)(2)) is amended—
21	(A) in subparagraph (A), by striking "sec-
22	ondary school, including dropout prevention
23	strategies" and inserting "the requirements for a
24	secondary school diploma or its recognized equiv-
25	alent (including recognized alternative standards

1	for individuals with disabilities) or for another
2	recognized credential, including dropout preven-
3	tion strategies";
4	(B) in subparagraph (B), by inserting ",
5	with a priority on exposing youth to technology
6	and nontraditional jobs" before the semicolon;
7	(C) in subparagraph (F), by striking "dur-
8	ing nonschool hours";
9	(D) in subparagraph (I), by striking "and"
10	at the end;
11	(E) in subparagraph (J), by striking the
12	period at the end and inserting a semicolon; and
13	(F) by adding at the end the following:
14	$``(K)\ on\mbox{-}the\mbox{-}job\ training\ opportunities;}$
15	"(L) opportunities to acquire financial lit-
16	eracy skills;
17	"(M) entrepreneurial skills training and
18	microenterprise services; and
19	"(N) information about average wages for a
20	range of jobs available in the local area, includ-
21	ing technology jobs.".
22	(3) Additional requirements.—Section
23	129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended in
24	the matter preceding clause (i) by striking "or appli-

1	cant who meets the minimum income criteria to be
2	considered an eligible youth".
3	(4) Priority and exceptions.—Section 129(c)
4	(29 U.S.C. 2854(c)) is amended by striking para-
5	graphs (4) and (5).
6	(5) Prohibitions and Linkages.—Section
7	129(c) (29 U.S.C. 2854(c)), as amended by paragraph
8	(4), is further amended—
9	(A) by redesignating paragraphs (6), (7),
10	and (8) as paragraphs (4), (5), and (6), respec-
11	tively;
12	(B) in paragraph (4) (as redesignated by
13	subparagraph (A))—
14	(i) by striking subparagraph (B); and
15	(ii) by redesignating subparagraph (C)
16	as subparagraph (B); and
17	(C) in paragraph (5) (as redesignated by
18	subparagraph (A)), by striking "youth councils"
19	and inserting "local boards".
20	SEC. 121. ADULT AND DISLOCATED WORKER EMPLOYMENT
21	AND TRAINING ACTIVITIES.
22	(a) State Allotments.—
23	(1) Reservations.—Section $132(a)(2)(A)$ is
24	amended by striking "national emergency grants"
25	and inserting "national dislocated worker grants".

1	(2) Allotment among states.—Section 132(b)
2	(29 U.S.C. 2862(b)) is amended—
3	(A) in paragraph (1)(A)(ii), by striking
4	"section 127(b)(1)(B)" and all that follows and
5	inserting "section $127(b)(1)(B)$ .";
6	(B) by striking paragraph (1)(B)(ii) and
7	inserting the following:
8	"(ii) Formula.—Subject to clauses
9	(iii) and (iv), of the remainder—
10	"(I) 40 percent shall be allotted
11	on the basis of the relative number of
12	unemployed individuals in areas of
13	substantial unemployment in each
14	State, compared to the total number of
15	unemployed individuals in areas of
16	substantial unemployment in all
17	States;
18	"(II) 25 percent shall be allotted
19	on the basis of the relative number of
20	individuals in the civilian labor force
21	in each State, compared to the total
22	number of such individuals in all
23	States; and
24	"(III) 35 percent shall be allotted
25	on the basis of the relative number of

1	disadvantaged adults in each State,
2	compared to the total number of dis-
3	advantaged adults in all States, except
4	as described in clause (iii).";
5	(C) in paragraph $(1)(B)$ —
6	(i) in clause (iii), by striking "section
7	116(a)(2)(B)" and inserting "section
8	116(a)(2)(A)(iii)"; and
9	(ii) in clause (iv)—
10	(I) in subclause (II), by striking
11	"subclauses (I), (III), and (IV)" and
12	inserting "subclauses (I) and (III)";
13	and
14	(II) by striking subclause (IV);
15	and
16	(D) in paragraph $(2)(A)(ii)$ , by striking
17	"section 127(b)(1)(B)" and all that follows and
18	inserting "section $127(b)(1)(B)$ .".
19	(3) Reallotment.—Section 132(c) (29 U.S.C.
20	2862(c)) is amended—
21	(A) by striking paragraph (2) and inserting
22	$the\ following:$
23	"(2) Amount.—The amount available for real-
24	lotment for a program year for programs funded
25	under subsection (b)(1)(B) (relating to adult employ-

1	ment and training) and subsection $(b)(2)(B)$ (relating
2	to dislocated worker employment and training), re-
3	spectively, is equal to the amount by which the unex-
4	pended balance at the end of the program year prior
5	to the program year for which the determination is
6	made exceeds 30 percent of the total amount of funds
7	available to the State under subsection (b)(1)(B) or
8	(b)(2)(B), respectively, during such prior program
9	year (including amounts allotted to the State in all
10	prior program years under such provisions that re-
11	mained available). For purposes of this paragraph,
12	the unexpended balance is the amount that is the dif-
13	ference between—
14	"(A) the total amount of funds available to
15	the State under subsection $(b)(1)(B)$ or $(b)(2)(B)$ ,
16	respectively, during the program year prior to
17	the program year for which the determination is
18	made (including amounts allotted to the State in
19	all prior program years under such provisions
20	that remained available); and
21	"(B) the accrued expenditures from such
22	total amount of funds available under subsection
23	(b)(1)(B) or $(b)(2)(B)$ , respectively, during such
24	prior program year.";
25	(B) in paragraph (3)—

1	(i) by striking "under this section for
2	such activities for the prior program year"
3	and inserting "under subsection $(b)(1)(B)$
4	or $(b)(2)(B)$ , as appropriate, for the pro-
5	gram year for which the determination is
6	made"; and
7	(ii) by striking "under this subsection
8	for such activities for such prior program
9	year" and inserting "under subsection
10	(b)(1)(B) or $(b)(2)(B)$ , as appropriate, for
11	such program year";
12	(C) by striking paragraph (4) and inserting
13	$the\ following:$
14	"(4) Eligibility.—For purposes of this sub-
15	section, an eligible State means—
16	"(A) with respect to funds allotted under
17	subsection (b)(1)(B), a State that does not have
18	an amount of such funds available for reallot-
19	ment under paragraph (2) for the program year
20	for which the determination under paragraph (2)
21	is made; and
22	"(B) with respect to funds allotted under
23	subsection (b)(2)(B), a State that does not have
24	an amount of such funds available for reallot-
25	ment under paragraph (2) for the program year

1	for which the determination under paragraph (2)
2	is made."; and
3	(D) in paragraph (5), by striking "obliga-
4	tion" and inserting "accrued expenditure".
5	(4) Effective date.—The amendments made
6	by paragraph (3) shall take effect for the later of—
7	(A) the program year that begins after the
8	date of enactment of this Act; or
9	(B) program year 2004.
10	(b) Within State Allocations.—
11	(1) Allocation.—Section $133(b)(5)(B)(ii)$ (29)
12	$U.S.C.\ 2863(b)(5)(B)(ii))$ is amended by striking
13	"section 134(c)" and inserting "section 121(e)".
14	(2) Reallocation.—Section 133(c) (29 U.S.C.
15	2863(c)) is amended—
16	(A) in paragraph (1), by inserting ", and
17	under subsection $(b)(2)(B)$ for dislocated worker
18	employment and training activities," after "ac-
19	tivities";
20	(B) by striking paragraph (2) and inserting
21	the following:
22	"(2) Amount available for re-
23	allocation for a program year for programs funded
24	under paragraphs (2)(A) and (3) of subsection (b)
25	(relating to adult employment and training) and sub-

section (b)(2)(B) (relating to dislocated worker employment and training), respectively, is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the local area under paragraphs (2)(A) and (3) of subsection (b), or subsection (b)(2)(B), respectively, during such prior program year (including amounts allocated to the local area in all prior program years under such provisions that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

"(A) the total amount of funds available to the local area under paragraphs (2)(A) and (3) of subsection (b), or subsection (b)(2)(B), respectively, during the program year prior to the program year for which the determination is made (including amounts allotted to the local area in all prior program years under such provisions that remained available); and

"(B) the accrued expenditures from such total amount of funds available under paragraphs (2)(A) and (3) of subsection (b), or sub-

1	section $(b)(2)(B)$ , respectively, during such prior
2	program year.";
3	(C) by striking paragraph (3) and inserting
4	$the\ following:$
5	"(3) Reallocation.—In making reallocations
6	to eligible local areas of amounts available pursuant
7	to paragraph (2) for a program year, the Governor
8	shall allocate to each eligible local area within the
9	State—
10	"(A) with respect to amounts that are avail-
11	able for reallocation under paragraph (2) that
12	were allocated under paragraphs (2)(A) or (3) of
13	subsection (b), an amount based on the relative
14	amount allocated to such local area under para-
15	graphs (2)(A) or (3) of subsection (b), as appro-
16	priate, for the program year for which the deter-
17	mination is made, as compared to the total
18	amount allocated to all eligible local areas under
19	paragraphs (2)(A) or (3) of subsection (b), as ap-
20	propriate, of such program year; and
21	"(B) with respect to amounts that are
22	available for reallocation under paragraph (2)
23	that were allocated under subsection $(b)(2)(B)$ ,
24	an amount based on the relative amount allo-
25	cated to such local area under subsection

1	(b)(2)(B) for the program year for which the de-
2	termination is made, as compared to the total
3	amount allocated to all eligible local areas under
4	subsection $(b)(2)(B)$ for such program year.";
5	and
6	(D) by striking paragraph (4) and insert-
7	ing the following:
8	"(4) Eligibility.—For purposes of this sub-
9	section, an eligible local area means—
10	"(A) with respect to funds allocated under
11	paragraphs $(2)(A)$ or $(3)$ of subsection $(b)$ , a
12	local area that does not have an amount of such
13	funds available for reallocation under paragraph
14	(2) for the program year for which the deter-
15	mination under paragraph (2) is made; and
16	"(B) with respect to funds allocated under
17	subsection $(b)(2)(B)$ , a local area that does not
18	have an amount of such funds available for re-
19	allocation under paragraph (2) for the program
20	year for which the determination under para-
21	graph (2) is made.".
22	(3) Effective date.—The amendments made
23	by paragraph (2) shall take effect for the later of—
24	(A) the program year that begins after the
25	date of enactment of this Act; or

1	(B) program year 2004.
2	(c) Use of Funds for Employment and Training
3	ACTIVITIES.—
4	(1) Statewide employment and training ac-
5	TIVITIES.—
6	(A) Statewide Rapid Response activi-
7	TIES.—Section $134(a)(2)(A)$ (29 U.S.C.
8	2864(a)(2)(A)) is amended to read as follows:
9	"(A) Statewide Rapid Response Activi-
10	TIES.—
11	"(i) In general.—A State shall carry
12	out statewide rapid response activities using
13	funds reserved by a Governor for a State
14	$under\ section\ 133(a)(2).$ Such activities
15	shall include—
16	"(I) provision of rapid response
17	activities, carried out in local areas by
18	the State or by an entity designated by
19	the State, working in conjunction with
20	the local boards and the chief elected
21	officials for the local areas; and
22	"(II) provision of additional as-
23	sistance to local areas that experience
24	disasters, mass layoffs, or plant clos-
25	ings, or other events that precipitate

1	substantial increases in the number of
2	unemployed individuals, carried out in
3	local areas by the State, working in
4	conjunction with the local boards and
5	the chief elected officials for the local
6	areas.
7	"(ii) Use of unexpended funds.—
8	Funds reserved under section $133(a)(2)$ to
9	carry out this subparagraph that remain
10	unexpended after the first program year for
11	which such funds were allotted may be used
12	by the Governor to carry out statewide ac-
13	tivities authorized under subparagraph (B)
14	and paragraph (3)(A) in addition to activi-
15	ties under this subparagraph.".
16	(B) Statewide employment and train-
17	ING ACTIVITIES.—Section 134(a)(2) (29 U.S.C.
18	2864(a)(2)) is amended by striking subpara-
19	graph (B) and inserting the following:
20	"(B) Statewide employment and train-
21	ing activities.—Funds reserved by a Governor
22	for a State under sections 128(a)(1) and
23	133(a)(1) and not used under paragraph (1)(A)
24	(regardless of whether the funds were allotted to
25	the States under section 127(b)(1)(C) or para-

1	graphs $(1)(B)$ or $(2)(B)$ of section $132(b)$ ) shall
2	be used for statewide employment and training
3	activities, including—
4	"(i) disseminating—
5	"(I) the State list of eligible pro-
6	viders of training services, including
7	eligible providers of nontraditional
8	$training\ services;$
9	"(II) information identifying eli-
10	gible providers of on-the-job training
11	and customized training;
12	"(III) performance information
13	and program cost information, as de-
14	scribed in subsections (d) and (i) of
15	section 122; and
16	"(IV) information on physical
17	and programmatic accessibility for in-
18	dividuals with disabilities;
19	"(ii) conducting evaluations under sec-
20	tion 136(e) of activities authorized under
21	this chapter and chapter 5 in coordination
22	with evaluations carried out by the Sec-
23	retary under section 172;

1	"(iii) providing incentive grants to
2	local areas in recognition of exceptional
3	achievement relating to—
4	"(I) regional cooperation among
5	local boards (including local boards in
6	a designated region as described in sec-
7	$tion \ 116(c));$
8	"(II) expanded local coordination
9	of programs and activities carried out
10	as part of a comprehensive workforce
11	investment system, including—
12	"(aa) employment services
13	under the Wagner-Peyser Act and
14	core activities under this title;
15	and
16	"(bb) one-stop partner pro-
17	grams described in section 121;
18	"(III) performance by local areas
19	as described in section $136(i)(2)$ ; and
20	"(IV) providing expanded access
21	to education and training services, es-
22	pecially through increased leveraging
23	of resources other than those provided
24	through programs under this title;

1	"(iv) developing strategies for ensuring
2	that activities carried out under this section
3	are placing men and women in jobs, edu-
4	cation, and training that lead to com-
5	parable pay;
6	"(v) providing technical assistance and
7	capacity building to local areas, one-stop
8	operators, one-stop partners, and eligible
9	providers, including the development and
10	training of staff, the development of exem-
11	plary program activities, and the provision
12	of technical assistance to local areas that
13	fail to meet local performance measures de-
14	scribed in section 136(c), which may in-
15	clude the development and training of staff
16	to provide opportunities for hard-to-serve
17	populations to enter high-wage, high-skilled,
18	$and\ nontraditional\ occupations;$
19	"(vi) operating a fiscal and manage-
20	ment accountability system under section
21	136(f); and
22	"(vii) carrying out monitoring and
23	oversight of activities carried out under this
24	chapter and chapter 4.".

1	(C) Allowable statewide employment
2	AND TRAINING ACTIVITIES.—Section
3	134(a)(3)(A) (29 U.S.C. 2864(a)(3)(A) is amend-
4	ed to read as follows:
5	"(A) In general.—Funds reserved by a
6	Governor for a State under sections 128(a)(1)
7	and 133(a)(1) and not used under paragraph
8	(1)(A) or $(2)(B)$ (regardless of whether the funds
9	were allotted to the State under section
10	127(b)(1)(C) or $paragraph$ $(1)(B)$ or $(2)(B)$ of
11	section 132(b)) may be used to carry out addi-
12	tional statewide employment and training ac-
13	tivities, which may include—
14	"(i) implementing innovative pro-
15	grams and strategies designed to meet the
16	needs of all businesses in the State, includ-
17	ing small businesses, which may include in-
18	cumbent worker training programs, sectoral
19	and industry cluster strategies and partner-
20	ships, including regional skills alliances, ca-
21	reer ladder programs, micro-enterprise and
22	entrepreneurial training and support pro-
23	grams, utilization of effective business inter-
24	mediaries, activities to improve linkages be-
25	tween the one-stop delivery systems in the

1	State and all employers (including small
2	employers) in the State, and other business
3	services and strategies that better engage
4	employers in workforce investment activities
5	and make the workforce investment system
6	more relevant to the needs of State and local
7	businesses, consistent with the objectives of
8	this title;
9	"(ii) developing strategies for effec-
10	tively serving hard-to-serve populations and
11	for coordinating programs and services
12	among one-stop partners;
13	"(iii) implementing innovative pro-
14	grams for displaced homemakers, which for
15	purposes of this clause may include an in-
16	dividual who is receiving public assistance
17	and is within 2 years of exhausting lifetime
18	eligibility under part A of title IV of the
19	Social Security Act (42 U.S.C. 601 et seq.);
20	"(iv) implementing programs to in-
21	crease the number of individuals training
22	for and placed in nontraditional employ-
23	ment;
24	"(v) carrying out activities to facilitate
25	remote access to services, including training

1	services described in subsection $(d)(4)$ , pro-
2	vided through a one-stop delivery system,
3	including facilitating access through the use
4	$of\ technology;$
5	"(vi) supporting the provision of core
6	services described in subsection (d)(2) in the
7	one-stop delivery system in the State;
8	"(vii) coordinating with the child wel-
9	fare system to facilitate services for children
10	in foster care and those who are eligible for
11	assistance under section 477 of the Social
12	$Security\ Act;$
13	"(viii) activities—
14	"(I) to improve coordination be-
15	tween workforce investment activities
16	carried out within the State involved
17	and economic development activities;
18	"(II) to improve coordination be-
19	tween employment and training assist-
20	ance, child support services, and assist-
21	ance provided by State and local agen-
22	cies carrying out part D of title IV of
23	the Social Security Act (42 U.S.C. 651
24	et seq.);

1	"(III) to improve coordination be-
2	tween employment and training assist-
3	ance and cooperative extension pro-
4	grams carried out by the Department
5	of  A griculture;
6	"(IV) to improve coordination be-
7	tween employment and training assist-
8	ance and programs carried out in the
9	local area for individuals with disabil-
10	ities, including programs carried out
11	by State agencies relating to mental re-
12	tardation and developmental disabil-
13	ities, Statewide Independent Living
14	Councils established under section 705
15	of the Rehabilitation Act of 1973 (29
16	U.S.C. 796d), and centers for inde-
17	pendent living defined in section 702
18	of the Rehabilitation Act of 1973 (29
19	U.S.C. 796a);
20	"(V) to develop and disseminate
21	workforce and labor market informa-
22	tion; and
23	"(VI) to improve coordination
24	with the corrections system to facilitate
25	provision of training services and em-

1	ployment opportunities that will assist
2	ex-offenders in reentering the work-
3	force;
4	"(ix) conducting—
5	"(I) research; and
6	"(II) demonstration projects; and
7	"(x) adopting, calculating, or commis-
8	sioning a minimum self-sufficiency stand-
9	ard that specifies the income needs of fami-
10	lies, by family size, the number and ages of
11	children in the family, and sub-State geo-
12	$graphical\ considerations.".$
13	(2) Required local employment and train-
14	ING ACTIVITIES.—
15	(A) Allocated Funds.—Section
16	134(d)(1)(A) (29 U.S.C. $2864(d)(1)(A)$ ) is
17	amended—
18	(i) in clause (i), by striking "described
19	in subsection (c)";
20	(ii) in clause (iii), by striking "and"
21	at the end;
22	(iii) in clause (iv), by striking the pe-
23	riod and inserting a semicolon; and
24	(iv) by adding at the end the following:

1	"(v) to designate a dedicated business
2	liaison in the local area who may be funded
3	with funds provided under this title or from
4	other sources to establish and develop rela-
5	tionships and networks with large and
6	small employers and their intermediaries;
7	and
8	"(vi) in order to avoid duplication of
9	services and enhance coordination of serv-
10	ices, to require the colocation of employment
11	services provided under the Wagner-Peyser
12	Act at the comprehensive one-stop centers.".
13	(B) Core services.—Section 134(d)(2)
14	(29 U.S.C. 2864(d)(2)) is amended—
15	(i) in the matter preceding subpara-
16	graph (A), by striking "paragraph (1)(A)"
17	and inserting "paragraph (1)";
18	(ii) by striking subparagraph (D) and
19	inserting the following:
20	"(D) labor exchange services, including—
21	"(i) job search and placement assist-
22	ance and, in appropriate cases, career coun-
23	seling, including—
24	"(I) exposure to high wage, high
25	skill jobs; and

1	$``(II)\ nontraditional\ employment;$
2	and
3	"(ii) appropriate recruitment and
4	other business services for all employers, in-
5	cluding small employers, in the local area,
6	which may include services described in this
7	subsection, including information and refer-
8	ral to specialized business services not tra-
9	ditionally offered through the one-stop deliv-
10	ery system;";
11	$(iii)\ in\ subparagraph\ (E)(iii)$ —
12	(I) by inserting ", career ladders,"
13	after "earnings"; and
14	(II) by striking "and" at the end;
15	(iv) in subparagraph (F)—
16	(I) by striking "and program cost
17	information"; and
18	(II) by striking "described in sec-
19	tion 123";
20	(v) by striking subparagraph (H) and
21	inserting the following:
22	"(H) provision of accurate information, in
23	formats that are usable and understandable to
24	all one-stop center customers, relating to the
25	availability of supportive services or assistance,

1	including child care, child support, medical or
2	child health assistance under title XIX or XXI of
3	the Social Security Act, benefits under the Food
4	Stamp Act of 1977, the earned income tax credit
5	under section 32 of the Internal Revenue Code of
6	1986, and assistance under a State program
7	funded under part A of title IV of the Social Se-
8	curity Act and other supportive services and
9	transportation provided through funds made
10	available under such part, available in the local
11	area, and referral to such services or assistance
12	as appropriate;"; and
13	(vi) in subparagraph (J), by striking
14	"for—" and all that follows through "(ii)
15	programs" and inserting "for programs".
16	(C) Intensive services.—Section
17	134(d)(3) (29 U.S.C. 2864(d)(3)) is amended—
18	(i) by striking subparagraph (A) and
19	inserting the following:
20	"(A) In general.—
21	"(i) Eligibility.—Except as provided
22	in clause (ii), funds allocated to a local
23	area for adults under paragraph (2)(A) or
24	(3), as appropriate, of section 133(b), and
25	funds allocated to the local area for dis-

1	located workers under section $133(b)(2)(B)$ ,
2	shall be used to provide intensive services to
3	adults and dislocated workers, respec-
4	tively—
5	"(I) who are unemployed and
6	who, after an interview, evaluation, or
7	assessment, have been determined by a
8	one-stop operator or one-stop partner
9	$to \ be$ —
10	"(aa) unlikely or unable to
11	obtain employment, that leads to
12	self-sufficiency or wages com-
13	parable to or higher than previous
14	employment, through core services
15	described in paragraph (2); and
16	"(bb) in need of intensive
17	services to obtain employment
18	that leads to self-sufficiency or
19	wages comparable to or higher
20	than previous employment; or
21	"(II) who are employed, but who,
22	after an interview, evaluation, or as-
23	sessment are determined by a one-stop
24	operator or one-stop partner to be in
25	need of intensive services to obtain or

1	retain employment that leads to self-
2	sufficiency.
3	"(ii) Special rule.—A new inter-
4	view, evaluation, or assessment of a partici-
5	pant is not required under clause (i) if the
6	one-stop operator or one-stop partner deter-
7	mines that it is appropriate to use a recent
8	assessment of the participant conducted
9	pursuant to another education or training
10	program."; and
11	(ii) in subparagraph (C)—
12	(I) in clause (v), by striking "for
13	participants seeking training services
14	under paragraph (4)"; and
15	(II) by adding at the end the fol-
16	lowing:
17	"(vii) Internships and work experience.
18	"(viii) Literacy activities relating to
19	basic work readiness, and financial literacy
20	activities.
21	"(ix) Out-of-area job search assistance
22	and relocation assistance.
23	"(x) English language acquisition and
24	integrated training programs.".

1	(D) Training services.—Section
2	134(d)(4) (29 U.S.C. 2864(d)(4)) is amended—
3	(i) by striking subparagraph (A) and
4	inserting the following:
5	"(A) In general.—
6	"(i) Eligibility.—Except as provided
7	in clause (ii), funds allocated to a local
8	area for adults under paragraph (2)(A) or
9	(3), as appropriate, of section 133(b), and
10	funds allocated to the local area for dis-
11	located workers under section $133(b)(2)(B)$ ,
12	shall be used to provide training services to
13	adults and dislocated workers, respec-
14	tively—
15	"(I) who, after an interview, eval-
16	uation, or assessment, and case man-
17	agement, have been determined by a
18	one-stop operator or one-stop partner,
19	as appropriate, to—
20	"(aa) be unlikely or unable
21	to obtain or retain employment,
22	that leads to self-sufficiency or
23	wages comparable to or higher
24	than previous employment,

1	through the intensive services de-
2	scribed in paragraph (3);
3	"(bb) be in need of training
4	services to obtain or retain em-
5	ployment that leads to self-suffi-
6	ciency or wages comparable to or
7	higher than previous employment;
8	and
9	"(cc) have the skills and
10	qualifications to successfully par-
11	ticipate in the selected program of
12	$training\ services;$
13	"(II) who select programs of
14	training services that are directly
15	linked to the employment opportunities
16	in the local area or region involved or
17	in another area to which the adults or
18	dislocated workers are willing to com-
19	$mute\ or\ relocate;$
20	"(III) who meet the requirements
21	of subparagraph (B); and
22	"(IV) who are determined to be el-
23	igible in accordance with the priority
24	system in effect under subparagraph
25	(E).

1	"(ii) Special rule.—A new inter-
2	view, evaluation, or assessment of a partici-
3	pant is not required under clause (i) if the
4	one-stop operator or one-stop partner deter-
5	mines that it is appropriate to use a recent
6	assessment of the participant conducted
7	pursuant to another education or training
8	program.";
9	(ii) in subparagraph (B)(i), by strik-
10	ing "Except" and inserting "Notwith-
11	standing section 479B of the Higher Edu-
12	cation Act of 1965 (20 U.S.C. 1087uu) and
13	except";
14	(iii) in subparagraph (D)—
15	(I) in clause (viii), by striking
16	"and" after the semicolon;
17	(II) in clause (ix), by striking the
18	period and inserting "; and"; and
19	(III) by adding at the end the fol-
20	lowing:
21	"(x) English language acquisition and
22	integrated training programs.";
23	(iv) in subparagraph (F)—
24	(I) in clause (ii), by striking "re-
25	ferred to in subsection (c), shall make

available—" and all that follows and	1
inserting "shall make available a lis	2
of eligible providers of training serv	3
ices, and accompanying information	4
in accordance with section 122(d).";	5
(II) in the heading of clause (iii)	6
by striking "Individual training ac	7
COUNTS" and inserting "CAREEI	8
SCHOLARSHIP ACCOUNTS";	9
(III) in clause (iii)—	10
(aa) by striking "identifying	11
information" and inserting "ac	12
$companying\ information";$	13
(bb) by striking "clause	14
(ii)(I)" and inserting "clause	15
(ii)"; and	16
(cc) by striking "individua	17
training account" and inserting	18
"career scholarship account"; and	19
(IV) by adding at the end the fol	20
lowing:	21
"(iv) Coordination.—Each loca	22
board may, through one-stop centers, coordi	23
nate career scholarship accounts with other	24
Federal, State, local, or private job training	25

1	programs or sources to assist the individual
2	in obtaining training services."; and
3	(v) in subparagraph (G)—
4	(I) in the subparagraph heading,
5	by striking "Individual training ac-
6	COUNTS" and inserting "CAREER
7	SCHOLARSHIP ACCOUNTS";
8	(II) in clause (i), by striking "in-
9	dividual training accounts" and in-
10	serting "career scholarship accounts";
11	(III) in clause (ii)—
12	(aa) by striking "individual
13	training account" and inserting
14	"career scholarship account";
15	(bb) in subclause (II), by
16	striking "individual training ac-
17	counts" and inserting "career
18	$scholar ship\ accounts";$
19	(cc) in subclause (II) by
20	striking "or" after the semicolon;
21	(dd) in subclause (III), by
22	striking "special participant pop-
23	ulations that face multiple bar-
24	riers to employment" and insert-
25	ing "hard-to-serve populations";

1	(ee) in subclause (III), by
2	striking the period and inserting
3	"; or"; and
4	(ff) by adding at the end the
5	following:
6	"(IV) the local board determines
7	that it would be most appropriate to
8	award a contract to an institution of
9	higher education in order to facilitate
10	the training of multiple individuals in
11	high-demand occupations, if such con-
12	tract does not limit customer choice.";
13	and
14	(IV) in clause (iv)—
15	(aa) by redesignating sub-
16	clause (IV) as subclause (V); and
17	(bb) by inserting after sub-
18	clause (III) the following:
19	"(IV) Individuals with disabil-
20	ities.".
21	(3) Permissible activities.—Section 134(e)
22	(29 U.S.C. 2864(e)) is amended—
23	(A) by striking the matter preceding para-
24	graph (2) and inserting the following:

1	"(e) Permissible Local Employment and Train-
2	ING ACTIVITIES.—
3	"(1) In general.—
4	"(A) ACTIVITIES.—Funds allocated to a
5	local area for adults under paragraph (2)(A) or
6	(3), as appropriate, of section 133(b), and funds
7	allocated to the local area for dislocated workers
8	under section $133(b)(2)(B)$ , may be used to pro-
9	vide, through the one-stop delivery system in-
10	volved—
11	"(i) customized screening and referral
12	of qualified participants in training serv-
13	ices described in subsection $(d)(4)$ to em-
14	ployment;
15	"(ii) customized employment-related
16	services to employers on a fee-for-service
17	basis;
18	"(iii) customer support to enable mem-
19	bers of hard-to-serve populations, including
20	individuals with disabilities, to navigate
21	among multiple services and activities for
22	such populations;
23	"(iv) technical assistance and capacity
24	building for serving individuals with dis-
25	abilities in local areas, for one-stop opera-

1	tors, one-stop partners, and eligible pro-
2	viders, including the development and
3	training of staff, the provision of outreach,
4	intake, assessments, and service delivery,
5	and the development of performance meas-
6	ures;
7	"(v) employment and training assist-
8	ance provided in coordination with child
9	support enforcement activities of the State
10	and local agencies carrying out part D of
11	title IV of the Social Security Act (42
12	$U.S.C.\ 601\ et\ seq.);$
13	"(vi) activities to improve coordination
14	between employment and training assist-
15	ance, child support services, and assistance
16	provided by State and local agencies car-
17	rying out part D of title IV of the Social
18	Security Act (42 U.S.C. 651 et seq.);
19	"(vii) activities to improve coordina-
20	tion between employment and training as-
21	sistance and cooperative extension programs
22	carried out by the Department of Agri-
23	culture;
24	"(viii) activities to facilitate remote
25	access to services provided through a one-

1	stop delivery system, including facilitating
2	access through the use of technology;
3	"(ix) activities—
4	"(I) to improve coordination be-
5	tween workforce investment activities
6	carried out within the local area in-
7	volved and economic development ac-
8	tivities; and
9	"(II) to improve services and
10	linkages between the local workforce in-
11	vestment system including the local
12	one-stop delivery system, and all em-
13	ployers, including small employers in
14	the local area, through services de-
15	scribed in this section, including sub-
16	paragraph (B);
17	"(x) training programs for displaced
18	homemakers and for individuals training
19	for nontraditional occupations, in conjunc-
20	tion with programs operated in the local
21	area;
22	"(xi) using a portion of the funds allo-
23	cated under section 133(b), activities to
24	carry out business services and strategies
25	that meet the workforce investment needs of

1	local area employers, as determined by the
2	local board, consistent with the local plan
3	under section 118, which services—
4	"(I) may be provided through ef-
5	fective business intermediaries working
6	in conjunction with the local board,
7	and may also be provided on a fee-for-
8	service basis or through the leveraging
9	of economic development and other re-
10	sources as determined appropriate by
11	the local board; and
12	"(II) may include—
13	"(aa) identifying and dis-
14	seminating to business, educators,
15	and job seekers, information re-
16	lated to the workforce, economic
17	and community development
18	needs, and opportunities of the
19	$local\ economy;$
20	"(bb) development and deliv-
21	ery of innovative workforce invest-
22	ment services and strategies for
23	area businesses, which may in-
24	clude sectoral, industry cluster, re-
25	gional skills alliances, career lad-

1	der, skills upgrading, skill stand-
2	ard development and certification,
3	apprenticeship, and other effective
4	initiatives for meeting the work-
5	force investment needs of area em-
6	ployers and workers;
7	"(cc) participation in semi-
8	nars and classes offered in part-
9	nership with relevant organiza-
10	tions focusing on the workforce-re-
11	lated needs of area employers and
12	job seekers;
13	"(dd) training consulting,
14	needs analysis, and brokering
15	services for area businesses, in-
16	cluding the organization and ag-
17	gregation of training (which may
18	be paid for with funds other than
19	those provided under this title),
20	for individual employers and coa-
21	litions of employers with similar
22	interests, products, or workforce
23	needs;
24	"(ee) assistance to area em-
25	ployers in the aversion of layoffs

1	and in managing reductions in
2	force in coordination with rapid
3	$response\ activities;$
4	"(ff) the marketing of busi-
5	ness services offered under this
6	title, to appropriate area employ-
7	ers, including small and mid-
8	sized employers;
9	"(gg) information referral on
10	concerns affecting local employers;
11	and
12	"(hh) other business services
13	and strategies designed to better
14	engage employers in workforce in-
15	vestment activities and to make
16	the workforce investment system
17	more relevant to the workforce in-
18	vestment needs of area businesses,
19	as determined by the local board
20	to be consistent with the objectives
21	of this title;
22	"(xii) activities to adjust the self-suffi-
23	ciency standards for local factors, or activi-
24	ties to adopt, calculate, or commission a
25	self-sufficiency standard that specifies the

1	income needs of families, by family size, the
2	number and ages of children in the family,
3	and sub-State geographical considerations;
4	and
5	"(xiii) improved coordination between
6	employment and training assistance and
7	programs carried out in the local area for
8	individuals with disabilities, including pro-
9	grams carried out by State agencies relating
10	to mental retardation and developmental
11	disabilities, Statewide Independent Living
12	Councils established under section 705 of the
13	Rehabilitation Act of 1973 (29 U.S.C.
14	796d), and centers for independent living
15	defined in section 702 of the Rehabilitation
16	Act of 1973 (29 U.S.C. 796a).
17	"(B) Work support activities for low-
18	WAGE WORKERS.—
19	"(i) In general.—Funds allocated to
20	a local area for adults under paragraph
21	(2)(A) or $(3)$ , as appropriate, of section
22	133(b), and funds allocated to the local area
23	for dislocated workers under section
24	133(b)(2)(B), may be used to provide,
25	through the one-stop delivery system in-

1	volved, work support activities designed to
2	assist low-wage workers in retaining and
3	enhancing employment. The one-stop part-
4	ners shall coordinate the appropriate pro-
5	grams and resources of the partners with
6	the activities and resources provided under
7	$this\ subparagraph.$
8	"(ii) Activities.—The activities de-
9	scribed in clause (i) may include the provi-
10	sion of activities described in this section
11	through the one-stop delivery system in a
12	manner that enhances the opportunities of
13	such workers to participate in the activities,
14	such as the provision of activities described
15	in this section during nontraditional hours
16	and the provision of onsite child care while
17	such activities are being provided.";
18	(B) in paragraph (2), by striking the mat-
19	ter preceding subparagraph (A) and inserting
20	$the\ following:$
21	"(2) Supportive services.—Funds allocated to
22	a local area for adults under paragraph (2)(A) or (3),
23	as appropriate, of section 133(b), and funds allocated
24	to the local area for dislocated workers under section

133(b)(2)(B), may be used to provide supportive serv-

25

1	ices to adults and dislocated workers, respectively—";
2	and
3	(C) by adding at the end the following:
4	"(4) Incumbent worker training pro-
5	GRAMS.—
6	"(A) In general.—The local board may
7	use up to 10 percent of the funds allocated to the
8	local area involved under section 133(b) to pay
9	for the Federal share of the cost of providing
10	training through an incumbent worker training
11	program carried out in accordance with this
12	paragraph. The Governor or State board may
13	make recommendations to the local board regard-
14	ing incumbent worker training with statewide
15	impact.
16	"(B) Training activities.—The training
17	program for incumbent workers carried out
18	under this paragraph shall be carried out by the
19	local board in conjunction with the employers or
20	groups of employers of such workers for the pur-
21	pose of assisting such workers in obtaining the
22	skills necessary to retain employment or avert
23	${\it layoffs}.$
24	"(C) Employer share required.—

1	"(i) In general.—Employers partici-
2	pating in the program carried out under
3	this paragraph shall be required to pay the
4	non-Federal share of the costs of providing
5	the training to incumbent workers of the
6	employers. The local board shall establish
7	the non-Federal share of such costs, which
8	may include in-kind contributions. The
9	non-Federal share shall not be less than—
10	"(I) 10 percent of the costs, for
11	employers with 50 or fewer employees;
12	"(II) 25 percent of the costs, for
13	employers with more than 50 employ-
14	ees but fewer than 100 employees; and
15	"(III) 50 percent of the costs, for
16	employers with 100 or more employees.
17	"(ii) Calculation of employer
18	SHARE.—The non-Federal share paid by
19	such an employer may include the amount
20	of the wages paid by the employer to a
21	worker while the worker is attending a
22	training program under this paragraph.".
23	SEC. 122. PERFORMANCE ACCOUNTABILITY SYSTEM.
24	(a) State Performance Measures.—

1	(1) Indicators of Performance.—Section
2	136(b)(2)(A) (29 U.S.C. 2871(b)(2)(A)) is amended—
3	(A) in clause (i)—
4	(i) in the matter preceding subclause
5	(I), by striking "and (for participants who
6	are eligible youth age 19 through 21) for
7	youth activities authorized under section
8	129";
9	(ii) by striking subclause (III) and in-
10	serting the following:
11	"(III) increases in earnings from
12	unsubsidized employment; and"; and
13	(iii) in subclause (IV), by striking ",
14	or by participants" and all that follows
15	through "unsubsidized employment"; and
16	(B) by striking clause (ii) and inserting the
17	following:
18	"(ii) Core indicators for eligible
19	YOUTH.—The core indicators of performance
20	for youth activities authorized under section
21	129 shall consist of—
22	"(I) entry into employment, edu-
23	cation or advanced training, or mili-
24	tary service;

1	"(II) attainment of secondary
2	school diplomas or their recognized
3	equivalents, and postsecondary certifi-
4	cates; and
5	"(III) literacy or numeracy
6	gains.".
7	(2) Additional indicators.—Section
8	136(b)(2)(C) (29 U.S.C. 2871(b)(2)(C)) is amended to
9	read as follows:
10	"(C) Additional indicators.—A State
11	may identify in the State plan additional indi-
12	cators for workforce investment activities under
13	this subtitle, including indicators identified in
14	collaboration with State business and industry
15	associations, with employee representatives where
16	applicable, and with local boards, to measure the
17	performance of the workforce investment system
18	in serving the workforce needs of business and
19	industry in the State.".
20	(3) Levels of Performance.—Section
21	136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amended—
22	(A) in clause (iii)—
23	(i) in the heading, by striking "FOR
24	FIRST 3 YEARS";

1	(ii) by striking "and the customer sat-
2	isfaction indicator of performance, for the
3	first 3" and inserting "described in clauses
4	(i) and (ii) of paragraph (2)(A) and the
5	customer satisfaction indicator of perform-
6	ance, for the first 2"; and
7	(iii) by inserting at the end the fol-
8	lowing: "Agreements on levels of perform-
9	ance for each of the core indicators of per-
10	formance for the third and fourth program
11	years covered by the State plan shall be
12	reached prior to the beginning of the third
13	program year covered by the State plan,
14	and incorporated as a modification to the
15	State plan.";
16	(B) in clause (iv)—
17	(i) in subclause (II)—
18	(I) by striking "taking into ac-
19	count" and inserting "and shall ensure
20	that the levels involved are adjusted,
21	using objective statistical methods,
22	based on";
23	(II) by inserting "(such as dif-
24	ferences in unemployment rates and

1	job losses or gains in particular indus-
2	tries)" after "economic conditions";
3	(III) by inserting "(such as indi-
4	cators of poor work history, lack of
5	work experience, lack of educational or
6	occupational skills attainment, disloca-
7	tion from high-wage and benefit em-
8	ployment, low levels of literacy or
9	English proficiency, disability status,
10	homelessness, and welfare dependency)"
11	after "program"; and
12	(IV) by striking "and" at the end;
13	(ii) in subclause (III), by striking the
14	period and inserting "; and"; and
15	(iii) by adding at the end the fol-
16	lowing:
17	"(IV) the extent to which the levels
18	involved will assist the State in meet-
19	ing the national goals described in
20	clause (v).";
21	(C) by striking clause (v) and inserting the
22	following:
23	"(v) Establishment of national
24	GOALS.—In order to promote enhanced per-
25	formance outcomes on the performance

1	measures and to facilitate the process of	
2	reaching agreements with the States under	
3	clause (iii) and to measure systemwide per-	
4	formance for the one-stop delivery systems	
5	of the States, the Secretary shall establish	
6	long-term national goals for the adjusted	
7	levels of performance for that systemwide	
8	performance to be achieved by the programs	
9	assisted under chapters 4 and 5 on the core	
10	indicators of performance described in sub-	
11	paragraphs (A) and (B) of subsection	
12	(b)(2). Such goals shall be established in ac-	
13	cordance with the Government Performance	
14	and Results Act of 1993 in consultation	
15	with the States and other appropriate par-	
16	ties."; and	
17	(D) in clause (vi)—	
18	(i) by striking "or (v)"; and	
19	(ii) by striking "with the representa-	
20	tives described in subsection (i)" and insert-	
21	ing "with the States and other interested	
22	parties".	
23	(b) Local Performance Measures.—Section	
24	136(c)(3) (29 U.S.C 2871(c)(3))—	

1	(1) by striking "shall take into account" and in-
2	serting "shall ensure that the levels involved are ad-
3	justed, using objective statistical methods, based on";
4	(2) by inserting "(characteristics such as unem-
5	ployment rates and job losses or gains in particular
6	industries)" after "economic"; and
7	(3) by inserting "(characteristics such as indica-
8	tors of poor work history, lack of work experience,
9	lack of educational and occupational skills attain-
10	ment, dislocation from high-wage and benefit employ-
11	ment, low levels of literacy or English proficiency,
12	disability status, homelessness, and welfare depend-
13	ency)" after "demographic".
14	(c) Report.—Section 136(d) (29 U.S.C. 2871(d)) is
15	amended—
16	(1) in paragraph (1), by adding at the end the
17	following: "In the case of a State or local area that
18	chooses to expend funds for activities under subsection
19	(a)(3)(A)(i) or $(e)(1)(A)(xi)$ , respectively, of section
20	134, the report also shall include the amount of such
21	funds so expended and the percentage that such funds
22	are of the funds available for activities under section
23	134.";
24	(2) in paragraph (2)—
25	(A) in subparagraph (E)—

1	(i) by striking "(excluding partici-
2	pants who received only self-service and in-
3	formational activities)"; and
4	(ii) by striking "and" after the semi-
5	colon;
6	$(B)\ in\ subparagraph\ (F)$ —
7	(i) by inserting "noncustodial parents
8	with child support obligations, homeless in-
9	dividuals," after "displaced homemakers,";
10	and
11	(ii) by striking the period and insert-
12	ing a semicolon; and
13	(C) by adding at the end the following:
14	"(G) the number of participants served and
15	the cost per participant; and
16	"(H) the amount of adult and dislocated
17	worker funds spent on—
18	"(i) core, intensive, and training serv-
19	ices, respectively; and
20	"(ii) services provided under subsection
21	(a)(3)(A)(i) or $(e)(1)(A)(xi)$ of section 134,
22	if applicable."; and
23	(3) by adding at the end the following:
24	"(4) Data validation.—In preparing the re-
25	ports described in this subsection, the States shall es-

1	tablish procedures, consistent with guidelines issued
2	by the Secretary, to ensure that the information con-
3	tained in the reports is valid and reliable.".
4	(d) Evaluation of State Programs.—Section
5	136(e)(3) is amended by inserting ", including information
6	on promoting self-sufficiency and comparable pay between
7	men and women" after "employers".
8	(e) Sanctions for State.—Section 136(g) is amend-
9	ed—
10	(1) in paragraph (1)(B), by striking "If such
11	failure continues for a second consecutive year" and
12	inserting "If a State performs at less than 80 percent
13	of the adjusted level of performance for core indicators
14	of performance described in subsection $(b)(2)(A)$ for 2
15	consecutive years"; and
16	(2) in paragraph (2), by striking "section 503"
17	and inserting "subsection $(i)(1)$ ".
18	(f) Sanctions for Local Area.—Section
19	136(h)(2)(A) (29 U.S.C. 2871(h)(2)(A)) is amended—
20	(1) in the matter preceding clause (i), by strik-
21	ing "If such failure continues for a second consecutive
22	year" and inserting "If a local area performs at less
23	than 80 percent of the adjusted level of performance
24	for core indicators of performance described in sub-
25	section (b)(2)(A) for 2 consecutive years";

1	(2) in clause (ii), by striking "or" after the semi-
2	colon;
3	(3) by redesignating clause (iii) as clause (iv);
4	and
5	(4) by inserting after clause (ii) the following:
6	"(iii) redesignate the local area in ac-
7	cordance with section $116(b)(2)$ ; or".
8	(g) Incentive Grants.—Section 136(i) (29 U.S.C.
9	2871(i)) is amended to read as follows:
10	"(i) Incentive Grants for Local Areas.—
11	"(1) In general.—From funds reserved under
12	sections 128(a) and 133(a)(1), the Governor involved
13	shall award incentive grants to local areas for per-
14	formance described in paragraph (2) in carrying out
15	programs under chapters 4 and 5.
16	"(2) BASIS.—The Governor shall award the
17	grants on the basis—
18	"(A) that the local areas met or exceeded the
19	performance measures established under sub-
20	section (c)(2) relating to indicators described in
21	$subsection \ (b)(3)(A)(iii);$
22	"(B) of exemplary performance of the local
23	areas in serving hard-to-serve populations; or
24	"(C) that the local areas are effectively—

1	"(i) coordinating multiple systems into
2	a comprehensive workforce investment sys-
3	tem, including coordination of employment
4	services under the Wagner-Peyser Act and
5	core activities under this title as well as
6	one-stop partner programs described in sec-
7	tion 121;
8	"(ii) expanding access to training, in-
9	cluding through increased leveraging of re-
10	sources other than those funded through pro-
11	grams under this title; or
12	"(iii) implementing innovative busi-
13	ness and economic development initiatives.
14	"(3) Use of funds.—The funds awarded to a
15	local area under this paragraph may be used to carry
16	out activities authorized for local areas under chap-
17	ters 4 and 5, and such demonstration projects or in-
18	novative programs for hard-to-serve populations as
19	may be approved by the Governor.".
20	(g) Use of Core Measures in Other Department
21	OF LABOR PROGRAMS.—Section 136 (29 U.S.C. 2871) is
22	amended by adding at the end the following:
23	"(j) Use of Core Indicators for Other Pro-
24	GRAMS.—In addition to the programs carried out under
25	chapters 4 and 5, and consistent with the requirements of

- 1 the applicable authorizing laws, the Secretary shall use the
- 2 indicators of performance described in subparagraphs (A)
- 3 and (B) of subsection (b)(2) to assess the effectiveness of the
- 4 programs described in clauses (i), (ii), and (vi) of section
- 5 121(b)(1)(B) that are carried out by the Secretary.".
- 6 (h) Previous Definitions of Core Indicators.—
- 7 Section 502 (29 U.S.C. 9272) is repealed.
- 8 SEC. 123. AUTHORIZATION OF APPROPRIATIONS.
- 9 (a) Youth Activities.—Section 137(a) (29 U.S.C.
- 10 2872(a)) is amended by striking "such sums as may be nec-
- 11 essary for each of fiscal years 1999 through 2003" and in-
- 12 serting "such sums as may be necessary for each of fiscal
- 13 years 2004 through 2009".
- 14 (b) Adult Employment and Training Activi-
- 15 TIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by
- 16 striking "such sums as may be necessary for each of fiscal
- 17 years 1999 through 2003" and inserting "such sums as may
- 18 be necessary for each of fiscal years 2004 through 2009".
- 19 (c) Dislocated Worker Employment and Train-
- 20 ING ACTIVITIES.—Section 137(c) (29 U.S.C. 2872(c)) is
- 21 amended by striking "such sums as may be necessary for
- 22 each of fiscal years 1999 through 2003" and inserting "such
- 23 sums as may be necessary for each of fiscal years 2004
- 24 through 2009".

1	Subtitle C—Job Corps
2	SEC. 131. JOB CORPS.
3	(a) Eligibility.—Section 144(3) (29 U.S.C. 2884(3))
4	is amended by adding at the end the following:
5	"(F) A child eligible for assistance under
6	section 477 of the Social Security Act.".
7	(b) Implementation of Standards and Proce-
8	DURES.—Section $145(a)(3)$ (29 U.S.C. $2885(a)(3)$ ) is
9	amended—
10	(1) in subparagraph (B), by striking "and" after
11	the semicolon;
12	(2) in subparagraph (C), by striking the period
13	and inserting "; and"; and
14	(3) by adding at the end the following:
15	"(D) child welfare agencies that are respon-
16	sible for children in foster care and children eli-
17	gible for assistance under section 477 of the So-
18	cial Security Act.".
19	(c) Industry Councils.—Section 154(b) (29 U.S.C.
20	2894(b)) is amended—
21	(1) in paragraph (1)(A), by striking "local and
22	distant"; and
23	(2) by adding at the end the following:
24	"(3) Employers outside of local area.—
25	The industry council may include, or otherwise pro-

1	vide for consultation with, employers from outside the
2	local area who are likely to hire a significant number
3	of enrollees from the Job Corps center.
4	"(4) Special rule for single local area
5	STATES.—In the case of a single local area State des-
6	ignated under section 116(b), the industry council
7	shall include a representative of the State Board.".
8	(d) Indicators of Performance.—Section 159 (29
9	U.S.C. 2899) is amended—
10	(1) in subsection (c)—
11	(A) by striking paragraph (1) and inserting
12	$the\ following:$
13	"(1) Performance indicators.—The Secretary
14	shall annually establish expected levels of performance
15	for Job Corps centers and the Job Corps program re-
16	lating to each of the core indicators of performance
17	for youth activities identified in section
18	136(b)(2)(A)(ii).";
19	(B) in paragraph (2), by striking "meas-
20	ures" each place it appears and inserting "indi-
21	cators"; and
22	(C) in paragraph (3)—
23	(i) in the first sentence, by striking
24	"core performance measures, as compared to
25	the expected performance level for each per-

1	formance measure" and inserting "perform-
2	ance indicators described in paragraph (1),
3	as compared to the expected level of per-
4	formance established under paragraph (1)
5	for each performance measure"; and
6	(ii) in the second sentence, by striking
7	"measures" each place it appears and in-
8	serting "indicators"; and
9	(2) in subsection $(f)(2)$ , in the first sentence, by
10	striking "core performance measures" and inserting
11	"indicators of performance".
12	(e) Authorization of Appropriations.—Section
13	161 (29 U.S.C. 2901) is amended by striking "1999 through
14	2003" and inserting "2004 through 2009".
15	Subtitle D—National Programs
16	SEC. 141. NATIVE AMERICAN PROGRAMS.
17	(a) Advisory Council.—Section $166(h)(4)(C)$ (29
18	$U.S.C.\ 2911(h)(4)(C))$ is amended to read as follows:
19	"(C) Duties.—The Council shall advise the
20	Secretary on the operation and administration
21	of the programs assisted under this section, in-
22	cluding the selection of the individual appointed
23	as head of the unit established under paragraph
24	(1).".

1	(b) Assistance to Unique Populations in Alaska
2	AND HAWAII.—Section 166(j) (29 U.S.C. 2911(j)) is
3	amended to read as follows:
4	"(j) Assistance to Unique Populations in Alaska
5	and Hawaii.—
6	"(1) In General.—Notwithstanding any other
7	provision of law, the Secretary is authorized to pro-
8	vide assistance to unique populations who reside in
9	Alaska or Hawaii to improve job training and work-
10	force investment activities.
11	"(2) Authorization of Appropriations.—
12	There are authorized to be appropriated to carry out
13	this subsection such sums as may be necessary for fis-
14	cal year 2004.".
15	(c) Performance Indicators.—Section 166 (29
16	U.S.C. 2911) is amended by adding at the end the fol-
17	lowing':
18	"(k) Performance Indicators.—
19	"(1) Development of indicators.—The Sec-
20	retary, in consultation with the Native American
21	Employment and Training Council, shall develop a
22	set of performance indicators and standards which
23	shall be applicable to programs under this section.

1	"(2) Special considerations.—Such perform-
2	ance indicators and standards shall take into ac-
3	count—
4	"(A) the purposes of the programs under
5	this section as described in paragraph (a)(1);
6	"(B) the needs of the groups served by this
7	section, including the differences in needs among
8	such groups in various geographic service areas;
9	and
10	"(C) the economic circumstances of the com-
11	munities served, including differences in cir-
12	cumstances among various geographic service
13	areas.".
14	SEC. 142. MIGRANT AND SEASONAL FARMWORKER PRO-
15	GRAMS.
16	Section 167(d) (29 U.S.C. 2912(d)) is amended by in-
17	serting "(including permanent housing)" after "housing".
18	SEC. 143. VETERANS' WORKFORCE INVESTMENT PRO-
19	GRAMS.
20	Section $168(a)(3)(C)$ (29 U.S.C. $2913(a)(3)(C)$ ) is
21	amended by striking "section 134(c)" and inserting "sec-
22	tion 121(e)".
23	SEC. 144. YOUTH CHALLENGE GRANTS.
24	Section 169 (29 U.S.C. 2914) is amended to read as
25	follows:

1	"SEC. 169. YOUTH CHALLENGE GRANTS.
2	"(a) In General.—Of the amounts reserved by the
3	Secretary under section 127(b)(1)(A) for a fiscal year—
4	"(1) the Secretary shall use not less than 80 per-
5	cent to award competitive grants under subsection
6	(b); and
7	"(2) the Secretary may use not more than 20
8	percent to award discretionary grants under sub-
9	section (c).
10	"(b) Competitive Grants to States and Local
11	Areas.—
12	"(1) Establishment.—From the funds de-
13	scribed in subsection (a)(1), the Secretary shall award
14	competitive grants to eligible entities to carry out ac-
15	tivities authorized under this subsection to assist eli-
16	gible youth in acquiring the skills, credentials, and
17	employment experience necessary to achieve the per-
18	formance outcomes for youth described in section 136
19	"(2) Eligible entity.—In this subsection, the
20	term 'eligible entity' means—
21	"(A) a State or consortium of States;
22	"(B) a local board or consortium of local
23	boards;
24	"(C) a recipient of a grant under section
25	166 (relating to Native American programs); or

1	"(D) a public or private entity (including
2	a consortium of such entities) with expertise in
3	the provision of youth activities, applying in
4	partnership with a local board or consortium of
5	local boards.
6	"(3) Applications.—To be eligible to receive a
7	grant under this subsection, an eligible entity shall
8	submit an application to the Secretary at such time,
9	in such manner, and containing such information as
10	the Secretary may require, including—
11	"(A) a description of the activities the eligi-
12	ble entity will provide to eligible youth under
13	this subsection, and how the eligible entity will
14	collaborate with State and local workforce invest-
15	ment systems established under this title in the
16	provision of such activities;
17	"(B) a description of the programs of dem-
18	onstrated effectiveness on which the provision of
19	the activities under subparagraph (A) are based,
20	and a description of how such activities will ex-
21	pand the base of knowledge relating to the provi-
22	sion of activities for youth;
23	"(C) a description of the State, local, and
24	private resources that will be leveraged to pro-
25	vide the activities described under subparagraph

1	(A) in addition to funds provided under this
2	subsection, and a description of the extent of the
3	involvement of employers in the activities;
4	"(D) the levels of performance the eligible
5	entity expects to achieve with respect to the indi-
6	cators of performance for youth specified in sec-
7	tion $136(b)(2)(A)(ii)$ ; and
8	"(E) an assurance that the State board of
9	each State in which the proposed activities are
10	to be carried out had the opportunity to review
11	the application, and including the comments, if
12	any, of the affected State boards on the applica-
13	tion, except that this subparagraph shall not
14	apply to an eligible entity described in para-
15	$graph\ (2)(C).$
16	"(4) Factors for award.—
17	"(A) In General.—In awarding grants
18	under this subsection the Secretary shall con-
19	sider—
20	"(i) the quality of the proposed activi-
21	ties;
22	"(ii) the goals to be achieved;
23	"(iii) the likelihood of successful imple-
24	mentation;

1	"(iv) the extent to which the proposed
2	activities are based on proven strategies or
3	the extent to which the proposed activities
4	will expand the base of knowledge relating
5	to the provision of activities for youth;
6	"(v) the extent of collaboration with the
7	State and local workforce investment sys-
8	tems in carrying out the proposed activities;
9	"(vi) the extent of employer involve-
10	ment in the proposed activities;
11	"(vii) whether there are other Federal
12	and non-Federal funds available for similar
13	activities to the proposed activities, and the
14	additional State, local, and private re-
15	sources that will be provided to carry out
16	the proposed activities; and
17	"(viii) the quality of proposed activi-
18	ties in meeting the needs of the youth to be
19	served.
20	"(B) Equitable Geographic distribu-
21	TION.—In awarding grants under this subsection
22	the Secretary shall ensure an equitable distribu-
23	tion of such grants across geographically diverse
24	areas.
25	"(5) Use of funds.—

1	"(A) In general.—An eligible entity that
2	receives a grant under this subsection shall use
3	the grant funds to carry out activities that are
4	designed to assist youth in acquiring the skills,
5	credentials, and employment experience that are
6	necessary to succeed in the labor market, includ-
7	ing the activities identified in section 129.
8	"(B) Activities.—The activities carried
9	out pursuant to subparagraph (A) may include
10	the following:
11	"(i) Training and internships for out-
12	of-school youth in sectors of the economy ex-
13	periencing, or projected to experience, high
14	growth.
15	"(ii) Dropout prevention activities for
16	in-school youth.
17	"(iii) Activities designed to assist spe-
18	cial youth populations, such as court-in-
19	volved youth and youth with disabilities.
20	"(iv) Activities combining remediation
21	of academic skills, work readiness training,
22	and work experience, and including link-
23	ages to postsecondary education, apprentice-
24	ships, and career-ladder employment.

1	"(v) Activities, including work experi-
2	ence, paid internships, and entrepreneurial
3	training, in areas where there is a migra-
4	tion of youth out of the areas.

- "(C) Participant Eligibility.—Youth who are 14 years of age through 21 years of age, as of the time the eligibility determination is made, may be eligible to participate in activities carried out under this subsection.
- "(6) GRANT PERIOD.—The Secretary shall make a grant under this subsection for a period of 2 years and may renew the grant, if the eligible entity has performed successfully, for a period of not more than 3 succeeding years.
- "(7) MATCHING FUNDS REQUIRED.—The Secretary shall require that an eligible entity that receives a grant under this subsection provide non-Federal matching funds in an amount to be determined by the Secretary that is not less than 10 percent of the cost of activities carried out under the grant. The Secretary may require that such non-Federal matching funds be provided in cash resources, noncash resources, or a combination of cash and noncash resources.

1	"(8) Evaluation.—The Secretary shall reserve
2	not more than 3 percent of the funds described in sub-
3	section (a)(1) to provide technical assistance to, and
4	conduct evaluations of (using appropriate techniques
5	as described in section 172(c)), the projects funded
6	under this subsection.
7	"(c) Discretionary Grants for Youth Activi-
8	TIES.—
9	"(1) In general.—From the funds described in
10	subsection (a)(2), the Secretary may award grants to
11	eligible entities to provide activities that will assist
12	youth in preparing for, and entering and retaining,
13	employment.
14	"(2) Eligible entity.—In this subsection, the
15	term 'eligible entity' means a public or private entity
16	that the Secretary determines would effectively carry
17	out activities relating to youth under this subsection.
18	"(3) Equitable distribution to rural
19	AREAS.—In awarding grants under this subsection
20	the Secretary shall ensure an equitable distribution of
21	such grants to rural areas.
22	"(4) Applications.—To be eligible to receive a
23	grant under this subsection, an eligible entity shall
24	submit an application to the Secretary at such time,

1	in such manner, and containing such information as
2	the Secretary may require.
3	"(5) Use of funds.—
4	"(A) In General.—An eligible entity that
5	receives a grant under this subsection shall use
6	the grant funds to carry out—
7	"(i) activities that will assist youth in
8	preparing for, and entering and retaining,
9	employment, including the activities de-
10	scribed in section 129 for out-of-school
11	youth;
12	"(ii) activities designed to assist in-
13	school youth to stay in school and gain
14	work experience;
15	"(iii) activities designed to assist youth
16	in economically distressed areas; and
17	"(iv) such other activities that the Sec-
18	retary determines are appropriate to ensure
19	that youth entering the workforce have the
20	skills needed by employers.
21	"(B) Participant Eligibility.—Youth
22	who are 14 years of age through 21 years of age,
23	as of the time the eligibility determination is
24	made, may be eligible to participate in activities
25	carried out under this subsection.

1 "(6) Matching funds required.—The Sec-2 retary shall require that an eligible entity that re-3 ceives a grant under this subsection provide non-Fed-4 eral matching funds in an amount to be determined by the Secretary that is not less than 10 percent of 5 6 the cost of activities carried out under the grant. The 7 Secretary may require that such non-Federal match-8 ing funds be provided in cash resources, noncash resources, or a combination of cash and noncash re-9 10 sources. 11 "(7) EVALUATIONS.—The Secretary may require 12 that an eligible entity that receives a grant under this 13 subsection participate in an evaluation of activities 14 carried out under this subsection, including an eval-15 uation using the techniques described in section 16 172(c).". 17 SEC. 145. TECHNICAL ASSISTANCE. 18 Section 170 (29 U.S.C. 2915) is amended— 19 (1) in subsection (a)(1), by— 20 (A) inserting "the training of staff pro-21 viding rapid response services, the training of 22 other staff of recipients of funds under this title, 23 the training of members of State boards and local boards, peer review activities under this 24 25 title," after "localities,"; and

1	(B) striking "from carrying out activities"
2	and all that follows through the period and in-
3	serting "to implement the amendments made by
4	the Workforce Investment Act Amendments of
5	2003.";
6	(2) in subsection (a)(2), by adding at the end the
7	following: "The Secretary shall also hire staff quali-
8	fied to provide the assistance described in paragraph
9	(1).";
10	(3) in subsection (b)(2), by striking the last sen-
11	tence and inserting "Such projects shall be adminis-
12	tered by the Employment and Training Administra-
13	tion."; and
14	(4) by adding at the end the following:
15	"(c) Best Practices Coordination.—The Secretary
16	shall—
17	"(1) establish a system through which States
18	may share information regarding best practices with
19	regard to the operation of workforce investment ac-
20	tivities under this Act;
21	"(2) evaluate and disseminate information re-
22	garding best practices and identify knowledge gaps;
23	and

1	"(3) commission research under section 172 to
2	address knowledge gaps identified under paragraph
3	(2).".
4	SEC. 146. DEMONSTRATION, PILOT, MULTISERVICE, RE-
5	SEARCH, AND MULTISTATE PROJECTS.
6	(a) Demonstration and Pilot Projects.—Section
7	171(b) (29 U.S.C. 2916(b)) is amended—
8	(1) in paragraph (1)—
9	(A) by striking "Under a" and inserting
10	"Consistent with the priorities specified in the";
11	(B) by striking subparagraphs (A) through
12	(E) and inserting the following:
13	"(A) projects that assist national employers
14	in connecting with the workforce investment sys-
15	tem established under this title in order to facili-
16	tate the recruitment and employment of needed
17	workers for career ladder jobs and to provide in-
18	formation to such system on skills and occupa-
19	tions in demand;
20	"(B) projects that promote the development
21	of systems that will improve the maximum effec-
22	tiveness of programs carried out under this title;
23	"(C) projects that focus on opportunities for
24	employment in industries and sectors of indus-
25	tries that are experiencing, or are likely to expe-

1	rience, high rates of growth and jobs with wages
2	leading to self-sufficiency;
3	``(D) computerized, individualized, self-
4	paced training projects targeted to dislocated,
5	disadvantaged, or incumbent workers utilizing
6	equipment and curriculum designed in partner-
7	ship with industries for employment in the oper-
8	ations, repair, and maintenance of high-tech
9	equipment that is used in integrated systems
10	technology;
11	"(E) projects carried out by States and
12	local areas to test innovative approaches to deliv-
13	ering employment-related services;";
14	(C) in subparagraph (G), by striking "and"
15	after the semicolon; and
16	(D) by striking subparagraph (H) and in-
17	serting the following:
18	"(H) projects that provide retention grants,
19	which shall—
20	"(i) be made to qualified job training
21	programs offering instruction, assessment,
22	or professional coaching, upon placement of
23	a low-income individual trained by the pro-
24	gram involved in employment with an em-
25	ployer and retention of the low-income indi-

1	vidual in that employment with that em-
2	ployer for a period of 1 year, if that em-
3	ployment provides the low-income indi-
4	vidual with an annual salary—
5	"(I) that is at least \$10,000 more
6	than the individual's federally adjusted
7	income for the previous year; and
8	"(II) that is not less than twice
9	the poverty line applicable to the indi-
10	vidual; and
11	"(ii) be made taking into account the
12	economic benefit received by the Federal
13	Government from the employment and re-
14	tention of the individual, including the eco-
15	nomic benefit from tax revenue and de-
16	creased public subsidies;
17	"(I) targeted innovation projects that im-
18	prove access to and delivery of employment and
19	training services, with emphasis given to projects
20	that incorporate advanced technologies to facili-
21	tate the connection of individuals to the informa-
22	tion and tools they need to upgrade skills;
23	"(J) projects that promote the use of dis-
24	tance learning, enabling students to take courses
25	through the use of media technology such as vid-

1	eos, teleconferencing computers, and the Internet;
2	and
3	"(K) projects that provide comprehensive
4	education and training services, and support
5	services, in coordination with local boards, for
6	populations in targeted high poverty areas where
7	the greatest barriers to employment exist, includ-
8	ing ex-offenders, out-of-school youth, and public
9	assistance recipient populations."; and
10	(2) in paragraph (2)—
11	(A) by striking subparagraph (B); and
12	(B) by redesignating subparagraph (C) as
13	$subparagraph\ (B).$
14	(b) Multiservice Projects.—Section 171(c)(2)(B)
15	(29 U.S.C. $2916(c)(2)(B)$ ) is amended to read as follows:
16	"(B) Studies and reports.—
17	"(i) Net impact studies and re-
18	PORTS.—
19	"(I) In general.—The Secretary,
20	in coordination with the Secretary of
21	Education, shall conduct studies to de-
22	termine the net impacts of programs,
23	services, and activities carried out
24	under this title.

1	"(II) Reports.—The Secretary
2	shall prepare and disseminate to the
3	public reports containing the results of
4	the studies conducted under subclause
5	(I).
6	"(ii) Study on resources available
7	TO ASSIST OUT-OF-SCHOOL YOUTH.—The
8	Secretary, in coordination with the Sec-
9	retary of Education, may conduct a study
10	examining the resources available at the
11	Federal, State, and local levels to assist out-
12	of-school youth in obtaining the skills, cre-
13	dentials, and work experience necessary to
14	become successfully employed, including the
15	availability of funds provided through aver-
16	age daily attendance and other methodolo-
17	gies used by States and local areas to dis-
18	$tribute\ funds.$
19	"(iii) Study of industry-based cer-
20	TIFICATION AND CREDENTIALS.—
21	"(I) In General.—The Secretary
22	shall conduct a study concerning the
23	role and benefits of credentialing and
24	certification to businesses and workers
25	in the economy and the implications of

1	certification to the services provided
2	through the workforce investment sys-
3	tem. The study may examine issues
4	such as—
5	"(aa) the characteristics of
6	successful credentialing and cer-
7	tification systems that serve busi-
8	ness and individual needs;
9	"(bb) the relative proportions
10	of certificates and credentials at-
11	tained with assistance from the
12	public sector, with private-sector
13	training of new hires or incum-
14	bent workers, and by individuals
15	on their own initiative without
16	$other\ assistance,\ respectively;$
17	"(cc) the return on human
18	capital investments from occupa-
19	tional credentials and industry-
20	based skill certifications, includ-
21	ing the extent to which acquisi-
22	tion of such credentials or certifi-
23	cates enhances outcomes such as
24	entry into employment, retention,
25	earnings (including the number

1	and amount of wage increases),
2	career advancement, and layoff
3	aversion;
4	"(dd) the implications of the
5	effects of skill certifications and
6	credentials to the types and deliv-
7	ery of services provided through
8	the workforce investment system;
9	"(ee) the role that Federal
10	and State governments play in
11	fostering the development of and
12	disseminating credentials and
13	skill standards; and
14	"(ff) the use of credentials by
15	businesses to achieve goals for
16	workforce skill upgrading and
17	greater operating efficiency.
18	"(II) Report to congress.—
19	The Secretary shall prepare and sub-
20	mit to Congress a report containing
21	the results of the study conducted pur-
22	suant to subclause (I). Such report
23	may include any recommendations
24	that the Secretary determines are ap-
25	propriate to include in such report re-

1	lating to promoting the acquisition of
2	industry-based certification and cre-
3	dentials, and the appropriate role of
4	the Department of Labor and the work-
5	force investment system in supporting
6	the needs of business and individuals
7	with respect to such certification and
8	credentials.
9	"(iv) Study of effectiveness of
10	WORKFORCE INVESTMENT SYSTEM IN MEET-
11	ING BUSINESS NEEDS.—
12	"(I) In General.—Using funds
13	available to carry out this section
14	jointly with funds available to the Sec-
15	retary of Commerce and Administrator
16	of the Small Business Administration,
17	the Secretary, in coordination with the
18	Secretary of Commerce and the Ad-
19	ministrator of the Small Business Ad-
20	ministration, may conduct a study of
21	the effectiveness of the workforce invest-
22	ment system in meeting the needs of
23	business, with particular attention to
24	the needs of small business, including
25	in assisting workers to obtain the skills

1	needed to utilize emerging technologies.
2	In conducting the study, the Secretary,
3	in coordination with the Secretary of
4	Commerce and the Administrator of
5	the Small Business Administration,
6	may examine issues such as—
7	"(aa) methods for identifying
8	the workforce needs of businesses
9	and how the requirements of small
10	businesses may differ from larger
11	establishments;
12	"(bb) business satisfaction
13	with the workforce investment sys-
14	tem, with particular emphasis on
15	the satisfaction of small busi-
16	nesses;
17	"(cc) the extent to which
18	business is engaged as a collabo-
19	rative partner in the workforce
20	investment system, including the
21	extent of business involvement as
22	members of State boards and local
23	boards, and the extent to which
24	such boards and one-stop centers
25	effectively collaborate with busi-

1	ness and industry leaders in de-
2	veloping workforce investment
3	strategies, including strategies to
4	identify high growth opportuni-
5	ties;
6	"(dd) ways in which the
7	workforce investment system ad-
8	dresses changing skill needs of
9	business that result from changes
10	in technology and work processes;
11	"(ee) promising practices for
12	serving small businesses;
13	"(ff) the extent and manner
14	in which the workforce investment
15	system uses technology to serve
16	business and individual needs,
17	and how uses of technology could
18	enhance efficiency and effective-
19	ness in providing services; and
20	"(gg) the extent to which var-
21	ious segments of the labor force
22	have access to and utilize tech-
23	nology to locate job openings and
24	apply for jobs, and characteristics
25	of individuals utilizing such tech-

1	nology (such as age, gender, race
2	or ethnicity, industry sector, and
3	$occupational\ groups).$
4	"(II) Report to congress.—
5	The Secretary shall prepare and sub-
6	mit to Congress a report containing
7	the results of the study described in
8	clause (I). Such report may include
9	any recommendations the Secretary de-
10	termines are appropriate to include in
11	such report, including ways to enhance
12	the effectiveness of the workforce invest-
13	ment system in meeting the needs of
14	business for skilled workers.".
15	(c) Next Generation Technologies.—Section 171
16	(29 U.S.C. 2916) is amended by adding at the end the fol-
17	lowing:
18	"(e) Skill Certification Pilot Projects.—
19	"(1) PILOT PROJECTS.—In accordance with sub-
20	section (b) and from funds appropriated pursuant to
21	paragraph (10), the Secretary shall establish and
22	carry out not more than 10 pilot projects to establish
23	a system of industry-validated national certifications
24	of skills, including—

"(A) not more than 8 national certifications
of skills in high-technology industries, including
biotechnology, telecommunications, highly auto-
mated manufacturing (including semiconduc-
tors), nanotechnology, and energy technology;
and
"(B) not more than 2 cross-disciplinary na-
tional certifications of skills in homeland secu-
$rity\ technology.$
"(2) Grants to eligible entities.—In car-
rying out the pilot projects, the Secretary shall make
grants to eligible entities, for periods of not less than
36 months and not more than 48 months, to carry out
the authorized activities described in paragraph (7)
with respect to the certifications described in para-
graph (1). In awarding grants under this subsection
the Secretary shall take into consideration awarding
grants to eligible entities from diverse geographic
areas, including rural areas.
"(3) Eligible entities.—
"(A) Definition of eligible entity.—In
this subsection the term 'eligible entity' means
an entity that shall work in conjunction with a
local board and shall include as a principal par-

ticipant one or more of the following:

25

1	"(i) An educational institution, in-
2	cluding a 2- or 4-year college, or a technical
3	$or\ vocational\ school.$
4	"(ii) An advanced technology edu-
5	cation center.
6	$``(iii)\ A\ local\ board.$
7	"(iv) A representative of a business in
8	a target industry for the certification in-
9	volved.
10	"(v) A representative of an industry
11	association, labor organization, or commu-
12	nity development organization.
13	"(B) History of Demonstrated Capa-
14	BILITY REQUIRED.—To be eligible to receive a
15	grant under this subsection, an eligible entity
16	shall have a history of demonstrated capability
17	for effective collaboration with industry on work-
18	force investment activities that is consistent with
19	the objectives of this title.
20	"(4) Applications.—To be eligible to receive a
21	grant under this subsection, an eligible entity shall
22	submit an application to the Secretary at such time,
23	in such manner, and containing such information as
24	the Secretary may require.

1	"(5) Criteria.—The Secretary shall establish
2	criteria, consistent with paragraph (6), for awarding
3	grants under this subsection.
4	"(6) Priority.—In selecting eligible entities to
5	receive grants under this subsection, the Secretary
6	shall give priority to eligible entities that demonstrate
7	the availability of and ability to provide matching
8	funds from industry or nonprofit sources. Such
9	matching funds may be provided in cash or in kind.
10	"(7) Authorized activities.—
11	"(A) In general.—An eligible entity that
12	receives a grant under this subsection shall use
13	the funds made available through the grant—
14	"(i) to facilitate the establishment of
15	certification requirements for a certification
16	described in paragraph (1) for an industry;
17	"(ii) to develop and initiate a certifi-
18	cation program that includes preparatory
19	courses, course materials, procedures, and
20	examinations, for the certification; and
21	"(iii) to collect and analyze data re-
22	lated to the program at the program's com-
23	pletion, and to identify best practices (con-
24	sistent with paragraph (8)) that may be

1	used by local and State workforce invest-
2	ment boards in the future.
3	"(B) Basis for requirements.—The cer-
4	tification requirements established under the
5	grant shall be based on applicable skill standards
6	for the industry involved that have been devel-
7	oped by or linked to national centers of excellence
8	under the National Science Foundation's Ad-
9	vanced Technological Education Program. The
10	requirements shall require an individual to dem-
11	onstrate an identifiable set of competencies rel-
12	evant to the industry in order to receive certifi-
13	cation. The requirements shall be designed to
14	provide evidence of a transferable skill set that
15	allows flexibility and mobility of workers within
16	a high technology industry.
17	"(C) Relationship to training and edu-
18	CATION PROGRAMS.—The eligible entity shall en-
19	sure that—
20	"(i) a training and education program
21	related to competencies for the industry in-
22	volved, that is flexible in mode and time-
23	frame for delivery and that meets the needs
24	of those seeking the certification, is offered;
25	and

1	"(ii) the certification program is of-
2	fered at the completion of the training and
3	$education\ program.$
4	"(D) Relationship to the associate
5	DEGREE.—The eligible entity shall ensure that
6	the certification program is consistent with the
7	requirements for a 2-year associate degree.
8	"(E) Availability.—The eligible entity
9	shall ensure that the certification program is
10	open to students pursuing associate degrees, em-
11	ployed workers, and displaced workers.
12	"(8) Consultation.—The Secretary shall con-
13	sult with the Director of the National Science Foun-
14	dation to ensure that the pilot projects build on the
15	expertise and information about best practices gained
16	through the implementation of the National Science
17	Foundation's Advanced Technological Education Pro-
18	gram.
19	"(9) Core components; guidelines; re-
20	PORTS.—After collecting and analyzing the data ob-
21	tained from the pilot programs, the Secretary shall—
22	"(A) establish the core components of a
23	model high-technology certification program;

1	"(B) establish guidelines to assure develop-
2	ment of a uniform set of standards and policies
3	for such programs;
4	"(C) prepare and submit a report on the
5	pilot projects to the Committee on Health, Edu-
6	cation, Labor, and Pensions of the Senate and
7	the Committee on Education and the Workforce
8	of the House of Representatives; and
9	"(D) make available to the public both the
10	data and the report.
11	"(10) Authorization of Appropriations.—In
12	addition to amounts authorized to be appropriated
13	under section 174(b), there is authorized to be appro-
14	priated \$30,000,000 for fiscal year 2004 to carry out
15	this subsection.".
16	(d) Integrated Workforce Training Programs
17	FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—Sec-
18	tion 171 (29 U.S.C. 2916), as amended by subsection (c),
19	is further amended by adding at the end the following:
20	"(f) Integrated Workforce Training Programs
21	FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—
22	"(1) Definitions.—In this subsection:
23	"(A) Integrated workforce training.—
24	The term 'integrated workforce training' means

1	training that integrates occupational skills
2	training with language acquisition.
3	"(B) Secretary.—The term 'Secretary
4	means the Secretary of Labor in consultation
5	with the Secretary of Education.
6	"(2) Demonstration project.—In accordance
7	with subsection (b) and from funds appropriated pur-
8	suant to paragraph (11), the Secretary shall establish
9	and implement a national demonstration project de-
10	signed to both analyze and provide data on workforce
11	training programs that integrate English language
12	acquisition and occupational training.
13	"(3) Grants.—
14	"(A) In General.—In carrying out the
15	demonstration project, the Secretary shall make
16	not less than 10 grants, on a competitive basis,
17	to eligible entities to provide the integrated work-
18	force training programs. In awarding grants
19	under this subsection the Secretary shall take
20	into consideration awarding grants to eligible
21	entities from diverse geographic areas, including
22	rural areas.
23	"(B) Periods.—The Secretary shall make
24	the grants for periods of not less than 24 months

and not more than 48 months.

25

1	"(4) Eligible entities.—
2	"(A) In general.—To be eligible to receive
3	a grant under this subsection, an eligible entity
4	shall work in conjunction with a local board and
5	shall include as a principal participant one or
6	more of the following:
7	"(i) An employer or employer associa-
8	tion.
9	"(ii) A nonprofit provider of English
10	$language\ instruction.$
11	"(iii) A provider of occupational or
12	skills training.
13	$``(iv)\ A\ community\-based\ organization.$
14	"(v) An educational institution, in-
15	cluding a 2- or 4-year college, or a technical
16	$or\ vocational\ school.$
17	$``(vi)\ A\ labor\ organization.$
18	$``(vii)\ A\ local\ board.$
19	"(B) Expertise.—To be eligible to receive
20	a grant under this subsection, an eligible entity
21	shall have proven expertise in—
22	"(i) serving individuals with limited
23	English proficiency, including individuals
24	with lower levels of oral and written
25	English; and

1	"(ii) providing workforce programs
2	with training and English language in-
3	struction.
4	"(5) Applications.—
5	"(A) In general.—To be eligible to receive
6	a grant under this subsection, an eligible entity
7	shall submit an application to the Secretary at
8	such time, in such manner, and containing such
9	information as the Secretary may require.
10	"(B) Contents.—Each application sub-
11	mitted under subparagraph (A) shall—
12	"(i) contain information, including ca-
13	pability statements, that demonstrates that
14	the eligible entity has the expertise described
15	in paragraph $(4)(B)$ ; and
16	"(ii) include an assurance that the
17	program to be assisted shall—
18	"(I) establish a generalized adult
19	bilingual workforce training and edu-
20	cation model that integrates English
21	language acquisition and occupational
22	training, and incorporates the unique
23	linguistic and cultural factors of the
24	participants;

1	"(II) establish a framework by
2	which the employer, employee, and
3	other relevant members of the eligible
4	entity can create a career development
5	and training plan that assists both the
6	employer and the employee to meet
7	their long-term needs;
8	"(III) ensure that the framework
9	established under subclause (II) takes
10	into consideration the knowledge, skills,
11	and abilities of the employee with re-
12	spect to both the current and economic
13	conditions of the employer and future
14	labor market conditions relevant to the
15	local area; and
16	"(IV) establish identifiable meas-
17	ures so that the progress of the em-
18	ployee and employer and the relative
19	efficacy of the program can be evalu-
20	ated and best practices identified.
21	"(6) Criteria.—The Secretary shall establish
22	criteria for awarding grants under this subsection.
23	"(7) Integrated workforce training pro-
24	GRAMS.—
25	"(A) Program components.—

1	"(i) Required components.—Each
2	program that receives funding under this
3	subsection shall—
4	"(I) test an individual's English
5	language proficiency levels to assess
6	oral and literacy gains from the begin-
7	ning and throughout program enroll-
8	ment;
9	"(II) combine training specific to
10	a particular occupation or occupa-
11	tional cluster, with—
12	"(aa) English language in-
13	struction, such as instruction
14	through an English as a Second
15	Language program, or an English
16	for Speakers of Other Languages
17	program;
18	"(bb) basic skills instruction;
19	and
20	"(cc) supportive services;
21	"(III) effectively integrate public
22	and private sector entities, including
23	the local workforce investment system
24	and its functions, to achieve the goals
25	of the program; and

1	"(IV) require matching or in-kind
2	resources from private and nonprofit
3	entities.
4	"(ii) Permissible components.—The
5	program may offer other services, as nec-
6	essary to promote successful participation
7	and completion, including work-based
8	learning, substance abuse treatment, and
9	mental health services.
10	"(B) GOAL.—Each program that receives
11	funding under this subsection shall be designed
12	to prepare limited English proficient adults for,
13	and place such adults in employment in, grow-
14	ing industries with identifiable career ladder
15	paths.
16	"(C) Program types.—In selecting pro-
17	grams to receive funding under this subsection,
18	the Secretary shall select programs that meet 1
19	or more of the following criteria:
20	"(i) A program that—
21	"(I) serves unemployed, limited
22	English proficient individuals with
23	significant work experience or substan-
24	tial education but persistently low
25	wages; and

1	"(II) aims to prepare such indi-
2	viduals for, and place such individuals
3	in, higher paying employment, defined
4	for purposes of this subparagraph as
5	employment that provides at least 75
6	percent of the median wage in the local
7	area.
8	"(ii) A program that—
9	"(I) serves limited English pro-
10	ficient individuals with lower levels of
11	oral and written fluency, who are
12	working but at persistently low wages;
13	and
14	"(II) aims to prepare such indi-
15	viduals for, and place such individuals
16	in, higher paying employment, through
17	services provided at the worksite, or at
18	a location central to several work sites,
19	during work hours.
20	"(iii) A program that—
21	"(I) serves unemployed, limited
22	English proficient individuals with
23	lower levels of oral and written flu-
24	ency, who have little or no work expe-
25	rience; and

1	"(II) aims to prepare such indi-
2	viduals for, and place such individuals
3	in, employment through services that
4	include subsidized employment, in ad-
5	dition to the components required in
6	$subparagraph\ (A)(i).$
7	"(iv) A program that includes funds
8	from private and nonprofit entities.
9	"(D) Program approaches.—In selecting
10	programs to receive funding under this sub-
11	section, the Secretary shall select programs with
12	different approaches to integrated workforce
13	training, in different contexts, in order to obtain
14	comparative data on multiple approaches to in-
15	tegrated workforce training and English lan-
16	guage instruction, to ensure programs are tai-
17	lored to characteristics of individuals with vary-
18	ing skill levels and to assess how different cur-
19	ricula work for limited English proficient popu-
20	lations. Such approaches may include—
21	"(i) bilingual programs in which the
22	workplace language component and the
23	training are conducted in a combination of
24	an individual's native language and
25	English;

1	"(ii) integrated workforce training
2	programs that combine basic skills, lan-
3	guage instruction, and job specific skills
4	$training;\ or$
5	"(iii) sequential programs that provide
6	a progression of skills, language, and train-
7	ing to ensure success upon an individual's
8	completion of the program.
9	"(8) Evaluation by eligible entity.—Each
10	eligible entity that receives a grant under this sub-
11	section for a program shall carry out a continuous
12	program evaluation and an evaluation specific to the
13	last phase of the program operations.
14	"(9) Evaluation by Secretary.—
15	"(A) In General.—The Secretary shall
16	conduct an evaluation of program impacts of the
17	programs funded under the demonstration
18	project, with a random assignment, experimental
19	design impact study done at each worksite at
20	which such a program is carried out.
21	"(B) Data collection and analysis.—
22	The Secretary shall collect and analyze the data
23	from the demonstration project to determine pro-
24	aram effectiveness, including gains in language

1	proficiency, acquisition of skills, and job ad-
2	vancement for program participants.
3	"(C) Report.—The Secretary shall prepare
4	and submit to the Committee on Health, Edu-
5	cation, Labor, and Pensions of the Senate and
6	the Committee on Education and the Workforce
7	of the House of Representatives, and make avail-
8	able to the public, a report on the demonstration
9	project, including the results of the evaluation.
10	"(10) Technical assistance.—The Secretary
11	shall provide technical assistance to recipients of
12	grants under this subsection throughout the grant pe-
13	riods.
14	"(11) Authorization of Appropriations.—In
15	addition to amounts authorized to be appropriated
16	under section 174(b), there is authorized to be appro-
17	priated \$10,000,000 for fiscal year 2004 to carry out
18	this subsection.".
19	SEC. 147. NATIONAL DISLOCATED WORKER GRANTS.
20	(a) In General.—Section 173 (29 U.S.C. 2918) is
21	amended—
22	(1) by striking the heading and inserting the fol-
23	lowing:
24	"SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.";
25	and

1	(2) in subsection (a)—
2	(A) by striking the matter preceding para-
3	graph (1) and inserting the following:
4	"(a) In General.—The Secretary is authorized to
5	award national dislocated worker grants—";
6	(B) in paragraph (1), by striking "sub-
7	section (c)" and inserting "subsection (b)";
8	(C) in paragraph (3), by striking "and"
9	after the semicolon; and
10	(D) by striking paragraph (4) and insert-
11	ing the following:
12	"(4) to a State or entity (as defined in sub-
13	section $(b)(1)(B)$ ) to carry out subsection $(e)$ , includ-
14	ing providing assistance to eligible individuals;
15	"(5) to a State or entity (as defined in sub-
16	section $(b)(1)(B)$ ) to carry out subsection $(f)$ , includ-
17	ing providing assistance to eligible individuals;
18	"(6) to provide additional assistance to a State
19	board or local board where a higher than average de-
20	mand for employment and training services for dis-
21	located members of the Armed Forces, or spouses, as
22	defined in section $101(9)(E)$ , of members of the Armed
23	Forces as described in subsection $(b)(2)(A)(iv)$ , exceeds
24	State and local resources for providing such services,
25	and where such programs are to be carried out in

1	partnership with the Department of Defense and De-
2	partment of Veterans Affairs transition assistance
3	programs; and
4	"(7) to provide assistance to a State for state-
5	wide or local use in order to—
6	"(A) address cases in which there have been
7	worker dislocations across multiple sectors or
8	across multiple local areas and such workers re-
9	$main\ dislocated;$
10	"(B) coordinate the State plan described in
11	section 112 with emerging economic development
12	needs; and
13	"(C) train eligible individuals who are dis-
14	located workers described in subparagraph (A).
15	The Secretary shall issue a final decision on an application
16	for a national dislocated worker grant under this subsection
17	not later than 60 calendar days after receipt of the applica-
18	tion. The Secretary shall issue a notice of obligation for
19	such a grant not later than 10 days after the award of the
20	grant.".
21	(b) Administration and Additional Assistance.—
22	Section 173 (29 U.S.C. 2918) is amended—
23	(1) by striking subsection (b);
24	(2) by redesignating subsections (c) through (g)
25	as subsections (b) through (f), respectively;

1	(3) by striking subsection (d) (as redesignated by
2	paragraph (2)) and inserting the following:
3	"(d) Additional Assistance.—
4	"(1) In general.—From the amount appro-
5	priated and made available to carry out this section
6	for any program year, the Secretary shall use not
7	more than \$20,000,000 to make grants to States to
8	provide employment and training activities under
9	section 134, in accordance with subtitle B.
10	"(2) Eligible states.—The Secretary shall
11	make a grant under paragraph (1) to a State for a
12	program year if—
13	"(A) the amount of the allotment that was
14	made to the State for the program year 2003
15	under the formula specified in section
16	132(b)(1)(B) as such section was in effect on
17	July 1, 2003, is greater than
18	"(B) the amount of the allotment that
19	would be made to the State for the program year
20	under the formula specified in section
21	132(b)(1)(B).
22	"(3) Amount of grants.—Subject to paragraph
23	(1), the amount of the grant made under paragraph
24	(1) to a State for a program year shall be based on
25	the difference between—

1	"(A) the amount of the allotment that was
2	made to the State for the program year 2003
3	under the formula specified in section
4	132(b)(1)(B) as such section was in effect on
5	July 1, 2003; and
6	"(B) the amount of the allotment that
7	would be made to the State for the program year
8	under the formula specified in section
9	132(b)(1)(B).";
10	(4) in subsection (e) (as redesignated by para-
11	graph (2))—
12	(A) in paragraph (1), by striking "para-
13	graph (4)(A)" and inserting "paragraph (4)";
14	(B) in paragraph (2), by striking "sub-
15	section (g)" and inserting "subsection (f)";
16	(C) in paragraph (4), by striking "sub-
17	section (g)" and inserting "subsection (f)";
18	(D) in paragraph (5), by striking "sub-
19	section (g)" and inserting "subsection (f)"; and
20	(E) in paragraph (6)—
21	(i) by striking "subsection (g)" and in-
22	serting "subsection (f)"; and
23	(ii) by striking "subsection (c)(1)(B)"
24	and inserting "subsection (b)(1)(B)"; and

1	(5) in subsection (f)(1) (as redesignated by para-
2	graph (2))—
3	(A) by striking "paragraph (4)(B)" and in-
4	serting "paragraph (4)"; and
5	(B) by striking "subsection (f)(1)(A)" and
6	inserting "subsection $(e)(1)(A)$ ".
7	SEC. 148. AUTHORIZATION OF APPROPRIATIONS FOR NA-
8	TIONAL ACTIVITIES.
9	(a) In General.—Section 174(a)(1) (29 U.S.C.
10	2919(a)(1)) is amended by striking "1999 through 2003"
11	and inserting "2004 through 2009".
12	(b) Reservations.—Section 174(b) (29 U.S.C.
13	2919(b)) is amended to read as follows:
14	"(b) Technical Assistance; Demonstration and
15	PILOT PROJECTS, EVALUATIONS, INCENTIVE GRANTS.—
16	There are authorized to be appropriated to carry out sec-
17	tions 170 through 172 and section 136(i) such sums as may
18	be necessary for each of fiscal years 2004 through 2009.".
19	$Subtitle\ E-Administration$
20	SEC. 151. REQUIREMENTS AND RESTRICTIONS.
21	Section 181(e) (29 U.S.C. 2931(e)) is amended by
22	striking "economic development activities,".
23	SEC. 152. REPORTS.
24	Section 185(c) (29 U.S.C. 2935(c)) is amended—

1	(1) in paragraph (2), by striking "and" after the
2	semicolon;
3	(2) in paragraph (3), by striking the period and
4	inserting "; and"; and
5	(3) by adding at the end the following:
6	"(4) shall have the option to submit or dissemi-
7	nate electronically any reports, records, plans, or any
8	other data that are required to be collected or dissemi-
9	nated under this title.".
10	SEC. 153. ADMINISTRATIVE PROVISIONS.
11	(a) Annual Report.—Section 189(d) (29 U.S.C.
12	2939(d)) is amended—
13	(1) in paragraph (3), by striking "and" after the
14	semicolon;
15	(2) by redesignating paragraph (4) as para-
16	graph (5); and
17	(3) by inserting after paragraph (3) the fol-
18	lowing:
19	"(4) the negotiated levels of performance of the
20	States, the States' requests for adjustments of such
21	levels, and the adjustments of such levels that are
22	made; and".
23	(b) Availability.—Section $189(g)(2)$ (29 U.S.C.
24	2939(g)(2)) is amended, in the first sentence—

1	(1) by striking "Funds" and inserting "Except
2	as otherwise provided in this paragraph, funds"; and
3	(2) by striking "each State receiving" and in-
4	serting "each recipient of".
5	(c) General Waivers.—Section 189(i)(4) (29 U.S.C.
6	2939(i)(4)) is amended—
7	(1) in subparagraph (A)(i), by inserting "the
8	funding of infrastructure costs for one-stop centers,"
9	after 'local boards,"; and
10	(2) by adding at the end the following:
11	"(D) Expedited requests.—The Sec-
12	retary shall expedite requests for waivers of stat-
13	utory or regulatory requirements that have been
14	approved for a State pursuant to subparagraph
15	(B), if the requirements of this paragraph have
16	been satisfied.".
17	SEC. 154. USE OF CERTAIN REAL PROPERTY.
18	Section 193 (29 U.S.C. 2943) is amended to read as
19	follows:
20	"SEC. 193. TRANSFER OF FEDERAL EQUITY IN STATE EM-
21	PLOYMENT SECURITY AGENCY REAL PROP-
22	ERTY TO THE STATES.
23	"(a) Transfer of Federal Equity.—Notwith-
24	standing any other provision of law, any Federal equity
25	acquired in real property through grants to States awarded

- 1 under title III of the Social Security Act (42 U.S.C. 501
- 2 et seq.) or under the Wagner-Peyser Act is transferred to
- 3 the States that used the grants for the acquisition of such
- 4 equity. The portion of any real property that is attributable
- 5 to the Federal equity transferred under this section shall
- 6 be used to carry out activities authorized under title III
- 7 of the Social Security Act or the Wagner-Peyser Act. Any
- 8 disposition of such real property shall be carried out in ac-
- 9 cordance with the procedures prescribed by the Secretary
- 10 and the portion of the proceeds from the disposition of such
- 11 real property that is attributable to the Federal equity
- 12 transferred under this section shall be used to carry out ac-
- 13 tivities authorized under title III of the Social Security Act
- 14 or the Wagner-Peyser Act.
- 15 "(b) Limitation on Use.—A State shall not use funds
- 16 awarded under title III of the Social Security Act or the
- 17 Wagner-Peyser Act to amortize the costs of real property
- 18 that is purchased by any State on or after the effective date
- 19 of this provision.".
- 20 SEC. 155. TABLE OF CONTENTS.
- 21 Section 1(b) (29 U.S.C. 9201 note) is amended—
- 22 (1) by striking the item relating to section 106
- 23 and inserting the following:

<sup>&</sup>quot;Sec. 106. Purposes.";

1	(2) by striking the item relating to section 123
2	and inserting the following:
	"Sec. 123. Eligible providers of youth activities.";
3	(3) by striking the item relating to section 169
4	and inserting the following:
	"Sec. 169. Youth challenge grants.";
5	(4) by striking the item relating to section 173
6	and inserting the following:
	"Sec. 173. National dislocated worker grants.";
7	(5) by striking the item relating to section 193
8	and inserting the following:
	"Sec. 193. Transfer of Federal equity in State employment security agency real property to the States.";
9	and
10	(6) by inserting after the item relating to section
11	243 the following:
	"Sec. 244. Integrated english literacy and civics education.".
12	Subtitle F—Incentive Grants
13	SEC. 161. INCENTIVE GRANTS.
14	Section 503 (20 U.S.C. 9273) is amended—
15	(1) by striking subsection (a) and inserting the
16	following:
17	"(a) In General.—
18	"(1) Prior to July 1, 2005.—Prior to July 1,
18 19	"(1) Prior to July 1, 2005.—Prior to July 1, 2005, the Secretary shall award a grant to each State

1	"(2) Beginning on July 1, 2005.—Beginning on
2	July 1, 2005, the Secretary shall award a grant to
3	each State on the basis—
4	"(A) of the State's exceeding the State ad-
5	justed levels of performance for title I, the ad-
6	justed levels of performance for title II, and the
7	levels of performance for programs under the
8	Carl D. Perkins Vocational and Technical Edu-
9	cation Act of 1998 (20 U.S.C. 2301 et seq.), for
10	the purpose of carrying out an innovative pro-
11	gram consistent with the requirements of any
12	one or more of the programs within title I, title
13	II, or such Act, respectively;
14	"(B) of exemplary performance of the States
15	in serving hard-to-serve populations (as defined
16	in section 101) (including performance relating
17	to the levels of service provided and the perform-
18	ance outcomes on such performance measures
19	with respect to the populations);
20	"(C) of States that are effectively—
21	"(i) coordinating multiple systems into
22	a more effective workforce investment sys-
23	tem, including coordination of employment
24	services under the Wagner-Peyser Act and

1	core activities under title I as well as part-
2	ner programs described in section 121;
3	"(ii) expanding access to training, in-
4	cluding through increased leveraging of re-
5	sources other than those funded through pro-
6	grams under title I; or
7	"(iii) implementing innovative busi-
8	ness and economic development initiatives;
9	or
10	"(D) of such other factors relating to the
11	performance of the States under title I as the
12	Secretary determines are appropriate."; and
13	(2) in subsection (b)(2), by adding at the end the
14	following:
15	"(D) Use of funds.—The funds awarded
16	to a State under this section may be used to
17	carry out any activities authorized for States
18	under chapters 4 and 5 of subtitle B of title I,
19	title II, and the Carl D. Perkins Vocational and
20	Technical Education Act of 1998, including dem-
21	onstration projects and innovative programs for
22	hard-to-serve populations (as defined in section
23	101).".

## TITLE II—AMENDMENTS TO THE ADULT EDUCATION AND FAM-2 ILY LITERACY ACT 3 SEC. 201. SHORT TITLE; PURPOSE. 4 5 (a) Short Title.—This title may be cited as the "Adult Education and Family Literacy Act Amendments 7 of 2003". 8 (b) Purpose.—Section 202 of the Adult Education and Family Literacy Act (20 U.S.C. 9201) is amended— 9 10 (1) in paragraph (2), by striking "and" after the 11 semicolon: 12 (2) in paragraph (3), by striking "education." and inserting "education and in the transition to 13 14 postsecondary education; and"; and 15 (3) by adding at the end the following: 16 "(4) assist immigrants and other individuals 17 with limited English proficiency in improving their 18 reading, writing, speaking, and mathematics skills 19 and acquiring an understanding of the American free 20 enterprise system, individual freedom, and the re-21 sponsibilities of citizenship.". 22 SEC. 202. DEFINITIONS. 23 Section 203 of the Adult Education and Family Literacy Act (20 U.S.C. 9202) is amended— 24 25 (1) in paragraph (1)—

1	(A) in the matter preceding subparagraph
2	(A), by striking "services or instruction below
3	the postsecondary level" and inserting "academic
4	instruction and education services below the
5	postsecondary level that increase an individual's
6	ability to read, write, and speak in English and
7	perform mathematics"; and
8	(B) by striking subparagraph (C)(i) and in-
9	serting the following:
10	"(i) are basic skills deficient as defined
11	in section 101;";
12	(2) in paragraph (2), by striking "activities de-
13	scribed in section 231(b)" and inserting "programs
14	and services which include reading, writing, speaking,
15	or mathematics skills, workplace literacy activities,
16	family literacy activities, English language acquisi-
17	tion activities, or other activities necessary for the at-
18	tainment of a secondary school diploma or its State
19	recognized equivalent";
20	(3) in paragraph (5)—
21	(A) by inserting "an organization that has
22	demonstrated effectiveness in providing adult
23	education, that may include" after "means";
24	(B) in subparagraph (B), by striking "of
25	demonstrated effectiveness";

1	(C) in subparagraph (C), by striking "of
2	demonstrated effectiveness"; and
3	(D) in subparagraph (I), by inserting "or
4	coalition" after "consortium";
5	(4) in paragraph (6)—
6	(A) by striking "LITERACY PROGRAM" and
7	inserting "LANGUAGE ACQUISITION PROGRAM";
8	(B) by striking "literacy program" and in-
9	serting "language acquisition program"; and
10	(C) by inserting "reading, writing, and
11	speaking" after "competence in";
12	(5) by redesignating paragraphs (7) through (18)
13	as paragraphs (8) through (19), respectively;
14	(6) by inserting after paragraph (6) the fol-
15	lowing:
16	"(7) Essential components of reading in-
17	STRUCTION.—The term 'essential components of read-
18	ing instruction' has the meaning given the term in
19	section 1208 of the Elementary and Secondary Edu-
20	cation Act of 1965 (20 U.S.C. 6368)."; and
21	(7) by striking paragraph (19), as redesignated
22	by paragraph (4), and inserting the following:
23	"(19) Workplace Literacy program.—The
24	term 'workplace literacy program' means an edu-
25	cational program designed to improve the produc-

1	tivity of the workforce through the improvement of lit
2	eracy skills that is offered by an eligible provider in
3	collaboration with an employer or an employee orga
4	nization at a workplace, at an off-site location, or in
5	a simulated workplace environment.".
6	SEC. 203. AUTHORIZATION OF APPROPRIATIONS.
7	Section 205 of the Adult Education and Family Lit
8	eracy Act (20 U.S.C. 9204) is amended—
9	(1) by striking "1999" and inserting "2004"
10	and
11	(2) by striking "2003" and inserting "2009".
12	SEC. 204. HOME SCHOOLS.
13	Section 204 of the Adult Education and Family Lit
14	eracy Act (20 U.S.C. 9203) is amended to read as follows
15	"SEC. 204. HOME SCHOOLS.
16	"Nothing in this title shall be construed to affect home
17	schools, whether a home school is treated as a home school
18	or a private school under State law, or to compel a paren
19	engaged in home schooling to participate in an English lit
20	eracy program, family literacy services, or adult edu
21	cation.".
22	SEC. 205. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE
23	AGENCIES; ALLOTMENTS.
24	Section 211 of the Adult Education and Family Lit.

25 eracy Act (20 U.S.C. 9211) is amended—

1	(1) by striking subsection (a) and inserting the
2	following:
3	"(a) Reservation of Funds.—From the sum appro-
4	priated under section 205 for a fiscal year, the Secretary—
5	"(1) shall reserve 1.5 percent to carry out section
6	242, except that the amount so reserved shall not ex-
7	ceed \$10,000,000;
8	"(2) shall reserve 1.5 percent to carry out section
9	243 and subsection (f)(4), except that the amount so
10	reserved shall not exceed \$8,000,000;
11	"(3) shall make available, to the Secretary of
12	Labor, 1.72 percent for incentive grants under section
13	136(i); and
14	"(4) shall reserve 12 percent of the amount that
15	remains after reserving funds under paragraphs (1),
16	(2) and (3) to carry out section 244.";
17	(2) in subsection $(c)(1)(B)$ , by striking
18	"\$250,000" and inserting "\$350,000";
19	(3) by striking subsection (d) and inserting the
20	following:
21	"(d) Qualifying Adult.—For the purpose of sub-
22	section (c)(2), the term 'qualifying adult' means an adult
23	who—
24	"(1) is not less than 16 years of age:

1	"(2) is beyond the age of compulsory school at-
2	tendance under the law of the State or outlying area;
3	"(3) does not have a secondary school diploma or
4	its recognized equivalent; and
5	"(4) is not enrolled in secondary school.";
6	(4) in subsection (e)—
7	(A) by striking paragraph (2) and inserting
8	the following:
9	"(2) AWARD BASIS.—The Secretary shall award
10	grants pursuant to paragraph (1) on a competitive
11	basis and pursuant to recommendations from the Pa-
12	cific Region Educational Laboratory in Honolulu,
13	Hawaii."; and
14	(B) in paragraph (3), by striking "shall"
15	and all that follows through the period and in-
16	serting "shall be eligible to receive a grant under
17	this title until the date when an agreement for
18	the extension of the United States education as-
19	sistance under the Compact of Free Association
20	for each of the Freely Associated States becomes
21	effective."; and
22	(5) by striking subsection (f) and inserting the
23	following:
24	"(f) Hold-Harmless Provisions.—

- "(1) IN GENERAL.—Notwithstanding subsection
  (c) and subject to paragraph (2), for fiscal year 2004
  and each succeeding fiscal year, no eligible agency
  shall receive an allotment under this section that is
  less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this
  section.
  - "(2) 100 PERCENT ALLOTMENT.—Notwithstanding paragraphs (1) and (2) of subsection (e), an
    eligible agency that receives only an initial allotment
    under subsection (c)(1) (and no additional allotment
    under subsection (c)(2)) shall receive an allotment
    under this section that is equal to 100 percent of the
    initial allotment under subsection (c)(1).
  - "(3) RATABLE REDUCTION.—If for any fiscal year the amount available for allotment under this subtitle is insufficient to satisfy the provisions of paragraphs (1) and (2), the Secretary shall ratably reduce the payments to all eligible agencies, as necessary.

## "(4) Additional assistance.—

"(A) IN GENERAL.—From amounts reserved under subsection (a)(2), the Secretary shall make grants to eligible agencies described in subpara-

1	graph (B) to enable such agencies to provide ac-
2	tivities authorized under chapter 2.
3	"(B) Eligibility.—An eligible agency is
4	eligible to receive a grant under this paragraph
5	for a fiscal year if the amount of the allotment
6	such agency receives under this section for the
7	fiscal year is less than the amount such agency
8	would have received for the fiscal year if the al-
9	lotment formula under this section as in effect on
10	September 30, 2003, were in effect for such year.
11	"(C) Amount of Grant.—The amount of a
12	grant made to an eligible agency under this
13	paragraph for a fiscal year shall be the difference
14	between—
15	"(i) the amount of the allotment such
16	agency would have received for the fiscal
17	year if the allotment formula under this sec-
18	tion as in effect on September 30, 2003,
19	were in effect for such year; and
20	"(ii) the amount of the allotment such
21	agency receives under this section for the
22	fiscal year.".
23	SEC. 206. PERFORMANCE ACCOUNTABILITY SYSTEM.
24	Section 212 of the Adult Education and Family Lit-
25	eracy Act (20 U.S.C. 9212) is amended—

1	(1) in subsection (b)—
2	(A) in paragraph (1)(A)(ii), by striking
3	"additional indicators of performance (if any)"
4	and inserting "employment performance indica-
5	tors";
6	(B) in paragraph (2)—
7	(i) in subparagraph (A)—
8	(I) in clause (i), by striking
9	"Demonstrated" and inserting "Meas-
10	urable";
11	(II) by striking clause (ii) and in-
12	serting the following:
13	"(ii) Placement in, retention in, or
14	completion of, postsecondary education or
15	other training programs."; and
16	(III) in clause (iii), by inserting
17	"(including recognized alternative
18	standards for individuals with disabil-
19	ities)" after "equivalent";
20	(ii) by redesignating subparagraph (B)
21	as subparagraph (C);
22	(iii) by inserting after subparagraph
23	(A), the following:
24	"(B) Employment performance indica-
25	TORS.—An eligible agency shall identify in the

1	State plan individual participant employment
2	performance indicators, including entry into un-
3	subsidized employment, retention in unsub-
4	sidized employment, and career advancement.
5	The State workforce investment board shall assist
6	the eligible agency in obtaining and using quar-
7	terly wage records to collect data for such indica-
8	tors, consistent with applicable Federal and
9	State privacy laws.";
10	(iv) in subparagraph (C), as redesig-
11	nated by clause (ii), by inserting "relevant"
12	after "additional"; and
13	(v) by adding at the end the following:
14	"(D) Indicators for workplace lit-
15	ERACY PROGRAMS.—Special accountability
16	measures may be negotiated for workplace lit-
17	eracy programs."; and
18	(C) in paragraph (3)—
19	(i) in subparagraph (A)—
20	(I) in clause (i)(II), by striking
21	"in performance" and inserting "the
22	agency's performance outcomes in an
23	objective, quantifiable, and measurable
24	form";

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1	(II) in clause (ii), by striking "3
2	programs years" and inserting "2 pro-
3	gram years";
4	(III) in clause (iii), by striking
5	"FIRST 3 YEARS" and inserting "FIRST
6	2 YEARS'';
7	(IV) in clause (iii), by striking
8	"first 3 program years" and inserting
9	"first 2 program years";
10	(V) in clause (v), by striking "4TH
11	AND 5TH" and inserting "3RD AND
12	4TH'';
13	(VI) in clause (v), by striking "to
14	the fourth" and inserting "to the
15	third";
16	(VII) in clause (v), by striking
17	"fourth and fifth" and inserting "third
18	and fourth"; and
19	(VIII) in clause (vi), by striking
20	"(II)" and inserting "(I)";
21	(ii) in subparagraph (B)—
22	(I) by striking the heading and
23	inserting "Levels of employment
24	PERFORMANCE'';

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1	(II) by striking "may" and in-
2	serting "shall"; and
3	(III) by striking "additional" and
4	inserting "employment"; and
5	(iii) by adding at the end the fol-
6	lowing:
7	"(C) Alternative assessment sys-
8	TEMS.—Eligible agencies may approve the use of
9	assessment systems that are not commercially
10	available standardized systems if such systems
11	meet the Standards for Educational and Psycho-
12	logical Testing issued by the Joint Committee on
13	Standards for Educational and Psychological
14	Testing of the American Educational Research
15	Association, the American Psychological Associa-
16	tion, and the National Council on Measurement
17	in Education.";
18	(2) in subsection (c)—
19	(A) in paragraph (1)—
20	(i) by inserting "the Governor, the
21	State legislature, and the State workforce
22	investment board" after "Secretary"; and
23	(ii) by striking "including" and all
24	that follows through the period and insert-
25	ing "including the following:

1	"(A) Information on the levels of perform-
2	ance achieved by the eligible agency with respect
3	to the core indicators of performance, and em-
4	ployment performance indicators.
5	"(B) The number and type of each eligible
6	provider that receives funding under such grant.
7	"(C) The number of enrollees 16 to 18 years
8	of age who enrolled in adult education not later
9	than 1 year after participating in secondary
10	school education.";
11	(B) in paragraph (2)(A), by inserting "eli-
12	gible providers and" after "available to"; and
13	(C) by adding at the end the following:
14	"(3) Data Access.—The report made available
15	under paragraph (2) shall indicate which eligible
16	agencies did not have access to State unemployment
17	insurance wage data in measuring employment per-
18	formance indicators."; and
19	(3) by adding at the end the following:
20	"(d) Program Improvement.—
21	"(1) In general.—If the Secretary determines
22	that an eligible agency did not meet its adjusted levels
23	of performance for the core indicators of performance
24	described in subsection $(b)(2)(A)$ for any program
25	year, the eligible agency shall—

1	"(A) work with the Secretary to develop and
2	implement a program improvement plan for the
3	2 program years succeeding the program year in
4	which the eligible agency did not meet its ad-
5	justed levels of performance; and
6	"(B) revise its State plan under section
7	224, if necessary, to reflect the changes agreed to
8	in the program improvement plan.
9	"(2) Further Assistance.—If, after the period
10	described in paragraph (1)(A), the Secretary has pro-
11	vided technical assistance to the eligible agency but
12	determines that the eligible agency did not meet its
13	adjusted levels of performance for the core indicators
14	of performance described in subsection $(b)(2)(A)$ , the
15	Secretary may require the eligible agency to make
16	further revisions to the program improvement plan
17	described in paragraph (1). Such further revisions
18	shall be accompanied by further technical assistance
19	from the Secretary.".
20	CEC OOF COMARD ADMINISTRATION

#### 20 SEC. 207. STATE ADMINISTRATION.

21 Section 221(1) of the Adult Education and Family 22 Literacy Act (20 U.S.C. 9221(1)) is amended by striking 23 "and implementation" and inserting "implementation, and 24 monitoring".

1	SEC. 208. STATE DISTRIBUTION OF FUNDS; MATCHING RE-
2	QUIREMENT.
3	Section 222 of the Adult Education and Family Lit-
4	eracy Act (20 U.S.C. 9222) is amended—
5	(1) in subsection (a)—
6	(A) in paragraph (1)—
7	(i) by striking "82.5" the first place
8	such term appears and inserting "80"; and
9	(ii) by striking "the 82.5 percent" and
10	inserting "such amount";
11	(B) in paragraph (2), by striking "not more
12	than 12.5 percent" and inserting "not more than
13	15 percent"; and
14	(C) in paragraph (3), by striking "\$65,000"
15	and inserting "\$75,000"; and
16	(2) in subsection (b)(1), by striking "equal to"
17	and inserting "that is not less than".
18	SEC. 209. STATE LEADERSHIP ACTIVITIES.
19	Section 223 of the Adult Education and Family Lit-
20	eracy Act (20 U.S.C. 9223) is amended—
21	(1) in subsection (a)—
22	(A) in the matter preceding paragraph (1),
23	by inserting "to develop or enhance the adult
24	education system of the State" after "activities";
25	(B) in paragraph (1), by striking "instruc-
26	tion incorporating" and all that follows through

1	the period and inserting "instruction incor-
2	porating the essential components of reading in-
3	struction and instruction provided by volunteers
4	or by personnel of a State or outlying area.";
5	(C) in paragraph (2), by inserting ", in-
6	cluding development and dissemination of in-
7	structional and programmatic practices based on
8	the most rigorous research available in reading,
9	writing, speaking, mathematics, English lan-
10	guage acquisition programs, distance learning
11	and staff training" after "activities";
12	(D) in paragraph (5), by striking "moni-
13	toring and";
14	(E) by striking paragraph (6) and inserting
15	$the\ following:$
16	"(6) The development and implementation of
17	technology applications, translation technology, or
18	distance learning, including professional development
19	to support the use of instructional technology."; and
20	(F) by striking paragraph (7) through
21	paragraph (11) and inserting the following:
22	"(7) Coordination with—
23	"(A) other partners carrying out activities
24	authorized under this Act;

1	"(B) existing support services, such as
2	transportation, child care, mental health services,
3	and other assistance designed to increase rates of
4	enrollment in, and successful completion of adult
5	education and literacy activities, for adults en-
6	rolled in such activities.
7	"(8) Developing and disseminating curricula, in-
8	cluding curricula incorporating the essential compo-
9	nents of reading instruction as they relate to adults.
10	"(9) The provision of assistance to eligible pro-
11	viders in developing, implementing, and reporting
12	measurable progress in achieving the objectives of this
13	subtitle.
14	"(10) The development and implementation of a
15	system to assist in the transition from adult basic
16	education to postsecondary education, including link-
17	ages with postsecondary educational institutions.
18	"(11) Integration of literacy and English lan-
19	guage instruction with occupational skill training,
20	and promoting linkages with employers.
21	"(12) Activities to promote workplace literacy
22	programs.
23	"(13) Activities to promote and complement local
24	outreach initiatives described in section $243(b)(3)(F)$ .

1	"(14) In cooperation with efforts funded under
2	sections 242 and 243, the development of curriculum
3	frameworks and rigorous content standards that—
4	"(A) specify what adult learners should
5	know and be able to do in the areas of reading
6	and language arts, mathematics, and English
7	language acquisition; and
8	"(B) take into consideration the following:
9	"(i) State academic standards estab-
10	lished under section 1111(b) of the Elemen-
11	tary and Secondary Education Act of 1965.
12	"(ii) The current adult skills and lit-
13	eracy assessments used in the State.
14	"(iii) The core indicators of perform-
15	ance established under section $212(b)(2)(A)$ .
16	"(iv) Standards and academic require-
17	ments for enrollment in non-remedial, for-
18	credit, courses in State supported postsec-
19	ondary education institutions.
20	"(v) Where appropriate, the basic and
21	literacy skill content of occupational and
22	industry skill standards widely used by
23	business and industry in the State.
24	"(15) In cooperation with efforts funded under
25	sections 242 and 243, development and pilotina of—

1	"(A) new assessment tools and strategies
2	that identify the needs and capture the gains of
3	students at all levels, with particular emphasis
4	on—
5	"(i) students at the lowest achievement
6	level;
7	"(ii) students who have limited
8	English proficiency; and
9	"(iii) adults with learning disabilities;
10	"(B) options for improving teacher quality
11	and retention; and
12	"(C) assistance in converting research into
13	practice.
14	"(16) The development and implementation of
15	programs and services to meet the needs of adult
16	learners with learning disabilities or limited English
17	proficiency.
18	"(17) Other activities of statewide significance
19	that promote the purpose of this title."; and
20	(2) in subsection (c), by striking "being State- or
21	outlying area-imposed" and inserting "being imposed
22	by the State or outlying area".
23	SEC. 210. STATE PLAN.
24	Section 224 of the Adult Education and Family Lit-
25	eracy Act (20 U.S.C. 9224) is amended—

1	(1) in subsection (a)—
2	(A) by striking the heading and inserting
3	"4-YEAR PLANS"; and
4	(B) in paragraph (1), by striking "5" and
5	inserting "4";
6	(2) in subsection (b)—
7	(A) in paragraph (1), by inserting "and the
8	role of provider and cooperating agencies in pre-
9	paring the assessment" after "serve";
10	(B) by striking paragraph (2) and inserting
11	$the\ following:$
12	"(2) a description of how the eligible agency will
13	address the adult education and literacy needs identi-
14	fied under paragraph (1) in each workforce develop-
15	ment area of the State, using funds received under
16	this subtitle, as well as other Federal, State, or local
17	funds received in partnership with other agencies for
18	the purpose of adult literacy as applicable;";
19	(C) in paragraph (3)—
20	(i) by inserting "and measure" after
21	"evaluate";
22	(ii) by inserting "and improvement"
23	after "effectiveness"; and
24	(iii) by striking "212" and inserting
25	"212, including—

1	"(A) how the eligible agency will evaluate
2	and measure annually such effectiveness on a
3	grant-by-grant basis; and
4	"(B) how the eligible agency—
5	"(i) will hold eligible providers ac-
6	countable regarding the progress of such
7	providers in improving the academic
8	achievement of participants in adult edu-
9	cation programs under this subtitle and re-
10	garding the core indicators of performance
11	described in section $212(b)(2)(A)$ ; and
12	"(ii) will use technical assistance,
13	sanctions, and rewards (including alloca-
14	tion of grant funds based on performance
15	and termination of grant funds based on
16	performance)";
17	(D) in paragraph (4), by striking "will en-
18	sure the improvement of" and inserting "im-
19	proved";
20	(E) by redesignating paragraphs (5)
21	through (12) as paragraphs (6) through (13), re-
22	spectively;
23	(F) by inserting after paragraph (4) the fol-
24	lowing:

1	"(5) a description of how the eligible agency will
2	improve teacher quality, the professional development
3	of eligible providers, and instruction;";
4	(G) in paragraph (6) (as redesignated by
5	subparagraph (E)), by striking "who" and all
6	that follows through the semicolon and inserting
7	"that—
8	"(A) offers flexible schedules and coordinates
9	with necessary Federal, State, and local support
10	services (such as child care, transportation, men-
11	tal health services, and case management) to en-
12	able individuals, including individuals with dis-
13	abilities or individuals with other special needs,
14	to participate in adult education and literacy
15	activities; and
16	"(B) attempts to coordinate with support
17	services that are not provided under this subtitle
18	prior to using funds for adult education and lit-
19	eracy activities provided under this subtitle for
20	support services;";
21	(H) in paragraph (10) (as redesignated by
22	subparagraph (E)), by striking "plan" and in-
23	serting "plan, which process—
24	"(A) shall include the State Workforce In-
25	vestment Board, the Governor, State officials

1	representing public schools, community colleges,
2	welfare agencies, agencies that provide services to
3	individuals with disabilities, other State agencies
4	that promote or operate adult education and lit-
5	eracy activities, and direct providers of such
6	adult literacy services;
7	"(B) may include consultation with the
8	State agency for higher education, institutions
9	responsible for professional development of adult
10	education and literacy education program in-
11	structors, institutions of higher education, rep-
12	resentatives of business and industry, refugee as-
13	sistance programs, and community-based organi-
14	zations, as defined in section 101;";
15	(I) in paragraph (11) (as redesignated by
16	$subparagraph\ (E))$ —
17	(i) by inserting "assess potential popu-
18	lation needs and" after "will";
19	(ii) in subparagraph (A), by striking
20	"students" and inserting "individuals";
21	(iii) in subparagraph (C), by striking
22	"and" after the semicolon; and
23	(iv) by adding at the end the following:
24	"(E) the unemployed; and

1	"(F) those who are employed, but at levels
2	below self-sufficiency, as defined in section 101.";
3	(J) in paragraph $(12)$ (as redesignated by
4	$subparagraph\ (E))$ —
5	(i) by inserting "and how the plan
6	submitted under this subtitle is coordinated
7	with the plan submitted by the State under
8	title I' after "eligible agency"; and
9	(ii) by striking "and" after the semi-
10	colon;
11	(K) in paragraph (13) (as redesignated by
12	$subparagraph\ (E)),\ by\ striking\ "231(c)(1)."$ and
13	inserting~"231(c)(1),~including—
14	"(A) how the State will build the capacity
15	of organizations that provide adult education
16	and literacy activities; and
17	"(B) how the State will increase the partici-
18	pation of business and industry in adult edu-
19	cation and literacy activities;"; and
20	(L) by adding at the end the following:
21	"(14) a description of how the eligible agency
22	will consult with any State agency responsible for
23	postsecondary education to develop adult education
24	programs and services (including academic skill de-
25	velopment and support services) that prepare students

1	to enter postsecondary education upon completion of
2	secondary school programs or their recognized equiva-
3	lent;
4	"(15) a description of how the eligible agency
5	will consult with the State agency responsible for
6	workforce development to develop adult education pro-
7	grams and services that are designed to prepare stu-
8	dents to enter the workforce; and
9	"(16) a description of how the eligible agency
10	will improve the professional development of eligible
11	providers of adult education and literacy activities.";
12	(3) in subsection (c), by adding at the end the
13	following: "At the end of the first 2-year period of the
14	4-year State plan, the eligible agency shall review
15	and, as needed, revise the 4-year State plan."; and
16	(4) in subsection (d)—
17	(A) in paragraph (1), by inserting ", the
18	chief State school officer, the State officer respon-
19	sible for administering community and technical
20	colleges, and the State Workforce Investment
21	Board" after "Governor"; and
22	(B) in paragraph (2), by striking "com-
23	ments" and all that follows through the period
24	and inserting "comments regarding the State
25	plan by the Governor, the chief State school offi-

1	cer, the State officer responsible for admin-
2	istering community and technical colleges, and
3	the State Workforce Investment Board, and any
4	revision to the State plan, are submitted to the
5	Secretary.".
6	SEC. 211. PROGRAMS FOR CORRECTIONS EDUCATION AND
7	OTHER INSTITUTIONALIZED INDIVIDUALS.
8	Section 225 of the Adult Education and Family Lit-
9	eracy Act (20 U.S.C. 9225) is amended—
10	(1) in subsection (b)—
11	(A) in paragraph (1), by striking 'basic
12	education" and inserting "adult education and
13	literacy activities";
14	(B) in paragraph (2), by inserting "and"
15	after the semicolon;
16	(C) by striking paragraph (3); and
17	(D) by redesignating paragraph (4) as
18	paragraph (3); and
19	(2) in subsection (d), by striking "Definition
20	of Criminal Offender.—" and inserting "Defini-
21	TIONS.—In this section:".
22	SEC. 212. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-
23	VIDERS.
24	Section 231 of the Adult Education and Family Lit-
25	eracy Act (20 U.S.C. 9241) is amended—

1	(1) in subsection (b)—
2	(A) in paragraph (1), by striking "work-
3	place literacy services" and inserting "workplace
4	literacy programs"; and
5	(B) in paragraph (3), by striking "literacy"
6	and inserting "language acquisition";
7	(2) in subsection (e)—
8	(A) in paragraph (1), by inserting "to be
9	achieved annually on the core indicators of per-
10	formance and employment performance indica-
11	tors described in section 212(b)(2)" after "out-
12	comes";
13	(B) by striking paragraph (3) and inserting
14	$the\ following:$
15	"(3) the commitment of the eligible provider to
16	be responsive to local needs and to serve individuals
17	in the community who were identified by the assess-
18	ment as most in need of adult literacy services, in-
19	cluding individuals who are low-income, have mini-
20	mal literacy skills, have learning disabilities, or have
21	limited English proficiency;";
22	(C) in paragraph $(4)(B)$ , by striking ",
23	such as" and all that follows through the semi-
24	colon and inserting "that include the essential
25	components of reading instruction;";

1	(D) in paragraph (5), by striking "re-
2	search" and inserting "the most rigorous re-
3	search available";
4	(E) in paragraph (7), by inserting ", when
5	appropriate and based on the most rigorous re-
6	search available," after "real life contexts";
7	(F) in paragraph (9), by inserting "edu-
8	cation, job-training, and social service" after
9	"other available";
10	(G) in paragraph (10)—
11	(i) by inserting "coordination with
12	Federal, State, and local" after "schedules
13	and"; and
14	(ii) by striking "and transportation"
15	and inserting ", transportation, mental
16	health services, and case management";
17	(H) in paragraph (11)—
18	(i) by inserting "measurable" after
19	"report";
20	(ii) by striking "eligible agency";
21	(iii) by inserting "established by the el-
22	igible agency" after "performance meas-
23	ures"; and
24	(iv) by striking "and" after the semi-
25	colon;

1	(I) in paragraph (12), by striking 'literacy
2	programs." and inserting "language acquisition
3	programs and civics education programs;"; and
4	(I) by adding at the end the following:
5	"(13) the capacity of the eligible provider to
6	produce information on performance results, includ-
7	ing enrollments and measurable participant out-
8	comes;
9	"(14) whether reading, writing, speaking, mathe-
10	matics, and English language acquisition instruction
11	provided by the eligible provider are based on the best
12	practices derived from the most rigorous research
13	available;
14	"(15) whether the eligible provider's applications
15	of technology and services to be provided are sufficient
16	to increase the amount and quality of learning and
17	lead to measurable learning gains within specified
18	time periods; and
19	"(16) the capacity of the eligible provider to
20	serve adult learners with learning disabilities.".
21	SEC. 213. LOCAL APPLICATION.
22	Section 232 of the Adult Education and Family Lit-
23	eracy Act (20 U.S.C. 9242) is amended—
24	(1) in paragraph (1)—

1	(A) by inserting "consistent with the re-
2	quirements of this subtitle" after "spent"; and
3	(B) by striking "and" after the semicolon;
4	(2) in paragraph (2), by striking the period at
5	the end and inserting "; and"; and
6	(3) by adding at the end the following:
7	"(3) information that addresses each of the con-
8	siderations required under section 231(e).".
9	SEC. 214. LOCAL ADMINISTRATIVE COST LIMITS.
10	Section 233 of the Adult Education and Family Lit-
11	eracy Act (20 U.S.C. 9243) is amended—
12	(1) in subsection $(a)(2)$ —
13	(A) by inserting "and professional" after
14	"personnel"; and
15	(B) by inserting "development of measur-
16	able goals in reading, writing, and speaking the
17	English language, and in mathematical com-
18	putation," after "development,"; and
19	(2) in subsection (b)—
20	(A) by inserting "and professional" after
21	"personnel"; and
22	(B) by inserting "development of measur-
23	able goals in reading, writing, and speaking the
24	English language, and in mathematical com-
25	putation," after "development,".

### SEC. 215. ADMINISTRATIVE PROVISIONS. 2 Section 241(b) of the Adult Education and Family 3 Literacy Act (20 U.S.C. 9251(b)) is amended— 4 (1) in paragraph (1)(A)— 5 (A) by striking "adult education and lit-6 eracy activities" both places such terms appear 7 and inserting "activities under this subtitle"; 8 and 9 by striking "was" and inserting "were"; and 10 11 (2) in paragraph (4)— 12 (A) by inserting "not more than" after "this subsection for"; and 13 14 (B) by striking "only". SEC. 216. NATIONAL INSTITUTE FOR LITERACY. 16 Section 242 of the Adult Education and Family Literacy Act (20 U.S.C. 9252) is amended— 17 18 (1) in subsection (a)— 19 (A) in paragraph (1), by striking "literacy" 20 and inserting "effective literacy programs for 21 children, youth, adults, and families"; (B) in paragraph (2), by inserting "and 22 23 disseminates information on" after "coordi-24 nates"; and 25 (C) by striking paragraph (3)(A) and in-

serting the following:

26

1	"(A) coordinating and participating in the
2	Federal effort to identify and disseminate infor-
3	mation on literacy that is derived from scientif-
4	ically based research, or the most rigorous re-
5	search available and effective programs that
6	serve children, youth, adults, and families; and";
7	(2) by striking subsection (b)(3) and inserting
8	$the\ following:$
9	"(3) Recommendations.—The Interagency
10	Group, in consultation with the National Institute for
11	Literacy Advisory Board (in this section referred to
12	as the 'Board') established under subsection (e), shall
13	plan the goals of the Institute and the implementation
14	of any programs to achieve the goals. The Board may
15	also request a meeting of the Interagency Group to
16	discuss any recommendations the Board may make.";
17	(3) in subsection (c)—
18	(A) in paragraph (1)—
19	(i) in subparagraph (A)—
20	(I) by striking "to establish" and
21	inserting "to maintain";
22	(II) in clause (i), by striking
23	"phonemic awareness, systematic
24	phonics, fluency, and reading com-
25	prehension" and inserting "the essen-

1	tial components of reading instruc-
2	tion";
3	(III) in clause (iii), by striking
4	"and" after the semicolon;
5	(IV) in clause (iv), by inserting
6	"and" after the semicolon; and
7	(V) by adding at the end the fol-
8	lowing:
9	"(v) a list of local adult education and
10	literacy programs;";
11	(ii) in subparagraph (C)—
12	(I) by striking "reliable and
13	replicable research" and inserting "re-
14	liable and replicable research as de-
15	fined by the Institute of Education
16	Sciences"; and
17	(II) by striking "especially with
18	the Office of Educational Research and
19	Improvement in the Department of
20	Education, ";
21	(iii) in subparagraph (D), by striking
22	"phonemic awareness, systematic phonics,
23	fluency, and reading comprehension based
24	on" and inserting "the essential components
25	of reading instruction and";

1	(iv) in subparagraph (H), by striking
2	"and" after the semicolon;
3	(v) in subparagraph (I), by striking
4	the period at the end and inserting a semi-
5	colon; and
6	(vi) by adding at the end the following:
7	"(I) to work cooperatively with the Depart-
8	ment of Education to assist States that are pur-
9	suing the implementation of standards-based
10	educational improvements for adults through the
11	dissemination of training, technical assistance,
12	and related support and through the development
13	and dissemination of related standards-based as-
14	sessment instruments; and
15	"(K) to identify rigorous research on the ef-
16	fectiveness of instructional practices and organi-
17	zational strategies relating to literacy programs
18	on the acquisition of skills in reading, writing,
19	English acquisition, and mathematics."; and
20	(B) by adding at the end the following:
21	"(3) Coordination.—In identifying the reliable
22	and replicable research the Institute will support, the
23	Institute shall use standards for research quality that
24	are consistent with those of the Institute of Education
25	Sciences.";

1	(4) in subsection (e)—
2	(A) in paragraph $(1)(B)$ —
3	(i) in clause (i), by striking "literacy
4	programs" and inserting "language acquisi-
5	tion programs";
6	(ii) in clause (ii), by striking 'literacy
7	programs" and inserting "or have partici-
8	pated in or partnered with workplace lit-
9	eracy programs";
10	(iii) in clause (iv), by inserting ", in-
11	cluding adult literacy research" after "re-
12	search";
13	(iv) in clause (vi), by striking "and"
14	after the semicolon;
15	(v) in clause (vii), by striking the pe-
16	riod at the end and inserting "; and"; and
17	(vi) by adding at the end the following:
18	"(viii) institutions of higher edu-
19	cation.";
20	(B) in paragraph (2)—
21	(i) in subparagraph (B), by striking
22	"and" after the semicolon;
23	(ii) in subparagraph (C), by striking
24	the period at the end and inserting "; and";
25	and

1	(iii) by adding at the end the fol-
2	lowing:
3	"(D) review the biennial report submitted to
4	Congress pursuant to subsection (k)."; and
5	(C) in paragraph (5), by striking the second
6	sentence and inserting the following: "A rec-
7	ommendation of the Board may be passed only
8	by a majority of the Board's members present at
9	a meeting for which there is a quorum."; and
10	(5) in subsection (k)—
11	(A) by striking "Labor and Human Re-
12	sources" and inserting "Health, Education,
13	Labor, and Pensions"; and
14	(B) by striking "The Institute shall submit
15	a report biennially to" and inserting "Not later
16	than 1 year after the date of enactment of the
17	Adult Education and Family Literacy Act
18	Amendments of 2003, and biennially thereafter,
19	the Institute shall submit a report to".
20	SEC. 217. NATIONAL LEADERSHIP ACTIVITIES.
21	Section 243 of the Adult Education and Family Lit-
22	eracy Act (20 U.S.C. 9253) is amended to read as follows:
23	"SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.
24	"(a) In General.—The Secretary shall establish and
25	carry out a program of national leadership activities to en-

1	hance the quality of adult education and literacy programs
2	nation wide.
3	"(b) Permissive Activities.—The national leader-
4	ship activities described in subsection (a) may include the
5	following:
6	"(1) Technical assistance, including—
7	"(A) assistance provided to eligible pro-
8	viders in developing and using performance
9	measures for the improvement of adult education
10	and literacy activities, including family literacy
11	services;
12	"(B) assistance related to professional devel-
13	opment activities, and assistance for the pur-
14	poses of developing, improving, identifying, and
15	disseminating the most successful methods and
16	techniques for providing adult education and lit-
17	eracy activities, including family literacy serv-
18	ices, based on scientific evidence where available;
19	"(C) assistance in distance learning and
20	promoting and improving the use of technology
21	$in\ the\ classroom;$
22	"(D) assistance in developing valid, meas-
23	urable, and reliable performance data, including
24	data around employment and employment out-
25	come, and using performance information for the

1	improvement of adult education and literacy
2	programs; and
3	"(E) assistance to help States, particularly
4	low-performing States, meet the requirements of
5	section 212.
6	"(2) A program of grants, contracts, or coopera-
7	tive agreements awarded on a competitive basis to na-
8	tional, regional, or local networks of private nonprofit
9	organizations, public libraries, or institutions of high-
10	er education to build the capacity of such networks'
11	members to meet the performance requirements of eli-
12	gible providers under this title and involve adult
13	learners in program improvement.
14	"(3) Funding national leadership activities that
15	are not described in paragraph (1), either directly or
16	through grants, contracts, or cooperative agreements
17	awarded on a competitive basis to or with postsec-
18	ondary educational institutions, public or private or-
19	ganizations or agencies, or consortia of such institu-
20	tions, organizations, or agencies, such as—
21	"(A) developing, improving, and identifying
22	the most successful methods and techniques for
23	addressing the education needs of adults, includ-
24	ing instructional practices using the essential
25	components of reading instruction based on the

1	work of the National Institute of Child Health
2	and Human Development;
3	"(B) increasing the effectiveness of, and im-
4	proving the quality of, adult education and lit-
5	eracy activities, including family literacy serv-
6	ices;
7	"(C) carrying out research on national lit-
8	eracy basic skill acquisition for adult learning,
9	including estimating the number of adults func-
10	tioning at the lowest levels of literacy pro-
11	ficiency;
12	"(D)(i) carrying out demonstration pro-
13	grams;
14	"(ii) disseminating best practices informa-
15	tion, including information regarding promising
16	practices resulting from federally funded dem-
17	onstration programs; and
18	"(iii) developing and replicating best prac-
19	tices and innovative programs, including—
20	"(I) the development of models for
21	basic skill certificates;
22	"(II) the identification of effective
23	strategies for working with adults with
24	learning disabilities and with adults with
25	limited English proficiency;

1	"(III) integrated basic and workplace
2	skills education programs;
3	"(IV) coordinated literacy and employ-
4	ment services; and
5	"(V) postsecondary education transi-
6	$tion\ programs;$
7	"(E) providing for the conduct of an inde-
8	pendent evaluation and assessment of adult edu-
9	cation and literacy activities through studies
10	and analyses conducted independently through
11	grants and contracts awarded on a competitive
12	basis, which evaluation and assessment shall in-
13	clude descriptions of—
14	"(i) the effect of performance measures
15	and other measures of accountability on the
16	delivery of adult education and literacy ac-
17	tivities, including family literacy services;
18	"(ii) the extent to which the adult edu-
19	cation and literacy activities, including
20	family literacy services, increase the lit-
21	eracy skills of adults (and of children, in
22	the case of family literacy services), lead the
23	participants in such activities to involve-
24	ment in further education and training, en-
25	hance the employment and earnings of such

1	participants, and, if applicable, lead to
2	other positive outcomes, such as reductions
3	in recidivism in the case of prison-based
4	adult education and literacy activities;
5	"(iii) the extent to which the provision
6	of support services to adults enrolled in
7	adult education and family literacy pro-
8	grams increase the rate of enrollment in,
9	and successful completion of, such pro-
10	grams; and
11	"(iv) the extent to which different types
12	of providers measurably improve the skills
13	of participants in adult education and lit-
14	eracy programs;
15	"(F) supporting efforts aimed at capacity
16	building of programs at the State and local levels
17	such as technical assistance in program plan-
18	ning, assessment, evaluation, and monitoring of
19	activities carried out under this subtitle;
20	"(G) collecting data, such as data regarding
21	the improvement of both local and State data
22	systems, through technical assistance and devel-
23	opment of model performance data collection sys-
24	tems;

1	"(H) supporting the development of an enti-
2	ty that would produce and distribute technology-
3	based programs and materials for adult edu-
4	cation and literacy programs using an inter-
5	connection system (as defined in section 397 of
6	the Communications Act of 1934 (47 U.S.C.
7	397)) and expand the effective outreach and use
8	of such programs and materials to adult edu-
9	cation eligible providers;
10	"(I) determining how participation in
11	adult education and literacy activities prepares
12	individuals for entry into postsecondary edu-
13	cation and employment and, in the case of pris-
14	on-based services, has an effect on recidivism;
15	and
16	"(J) other activities designed to enhance the
17	quality of adult education and literacy activities
18	nation wide.".
19	SEC. 218. INTEGRATED ENGLISH LITERACY AND CIVICS
20	EDUCATION.
21	Chapter 4 of subtitle A of title II (29 U.S.C. 9251 et
22	sea.) is amended by adding at the end the following:

1	"SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS
2	EDUCATION.
3	"(a) In General.—From funds made available under
4	section 211(a)(4) for each fiscal year the Secretary shall
5	award grants to States, from allotments under subsection
6	(b), for integrated English literacy and civics education.
7	"(b) Allotment.—
8	"(1) In general.—Subject to paragraph (2),
9	from amounts made available under section 211(a)(4)
10	for a fiscal year the Secretary shall allocate—
11	"(A) 65 percent to the States on the basis
12	of a State's need for integrated English literacy
13	and civics education as determined by calcu-
14	lating each State's share of a 10-year average of
15	the Immigration and Naturalization Service
16	data for immigrants admitted for legal perma-
17	nent residence for the 10 most recent years; and
18	"(B) 35 percent to the States on the basis
19	of whether the State experienced growth as meas-
20	ured by the average of the 3 most recent years
21	for which Immigration and Naturalization Serv-
22	ice data for immigrants admitted for legal per-
23	manent residence are available.
24	"(2) Minimum.—No State shall receive an allot-
25	ment under paragraph (1) in an amount that is less
26	than \$60,000.".

#### 1 SEC. 219. TRANSITION.

- 2 The Secretary shall take such steps as the Secretary
- 3 determines to be appropriate to provide for the orderly tran-
- 4 sition to the authority of the Adult Education and Family
- 5 Literacy Act (as amended by this title) from any authority
- 6 under provisions of the Adult Education and Family Lit-
- 7 eracy Act (as such Act was in effect on the day before the
- 8 date of enactment of the Adult Education and Family Lit-
- 9 eracy Act Amendments of 2003.

# 10 TITLE III—AMENDMENTS TO

## 11 OTHER PROVISIONS OF LAW

- 12 SEC. 301. WAGNER-PEYSER ACT.
- 13 (a) Conforming Amendment.—Section 2(3) of the
- 14 Wagner-Peyser Act (29 U.S.C. 49a(3)) is amended by strik-
- 15 ing "section 134(c)" and inserting "section 121(e)".
- 16 (b) Colocation.—Section 3 of the Wagner-Peyser Act
- 17 (29 U.S.C. 49b) is amended by adding at the end the fol-
- 18 lowing:
- 19 "(d) In order to avoid duplication of services and en-
- 20 hance integration of services, employment services offices in
- 21 each State shall be colocated with comprehensive one-stop
- 22 centers established under title I of the Workforce Investment
- 23 Act of 1998.".
- 24 (c) Cooperative Statistical Program.—Section
- 25 14 of the Wagner-Peyser Act (29 U.S.C. 49l-1) is amended

1	by striking the section heading and all that follows through
2	"There" and inserting the following:
3	"SEC. 14. COOPERATIVE STATISTICAL PROGRAM.
4	"There".
5	(d) Workforce and Labor Market Information
6	System.—Section 15 of the Wagner-Peyser Act (29 U.S.C.
7	49l-2) is amended—
8	(1) by striking the section heading and inserting
9	$the\ following:$
10	"SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION
11	SYSTEM.";
12	(2) by striking "employment statistics system"
13	each place it appears and inserting "workforce and
14	labor market information system";
15	(3) in subsection (a)(1), by striking "of employ-
16	ment statistics";
17	(4) in subsection $(b)(2)(E)$ —
18	(A) in clause (i), by adding "and" at the
19	end;
20	(B) in clause (ii), by striking "; and" and
21	inserting a period; and
22	(C) by striking clause (iii);
23	(5) by striking subsections (c) and (d) and in-
24	serting the following:

1	"(c) National Electronic Tools To Provide
2	Services.—The Secretary, in consultation with States, is
3	authorized to assist in the development of national elec-
4	tronic tools that may be used to improve access to workforce
5	information for individuals through—
6	"(1) the one-stop delivery systems established
7	under section 121(e); and
8	"(2) such other delivery systems as the Secretary
9	determines to be appropriate.
10	"(d) Two-Year Plan.—The Secretary, working
11	through the Bureau of Labor Statistics, and in cooperation
12	with the States and with the assistance of the Employment
13	and Training Administration and other appropriate Fed-
14	eral agencies, shall prepare a 2-year plan which shall be
15	the mechanism for achieving cooperative management of the
16	nationwide workforce and labor market information system
17	described in subsection (a) and the statewide workforce and
18	labor market information systems that comprise the nation-
19	wide system. The plan shall—
20	"(1) describe the steps the to be taken in the fol-
21	lowing 2 years to carry out the duties described in
22	subsection (b)(2);
23	"(2) evaluate the performance of the system and
24	recommend needed improvements, with particular at-

1	tention to the improvements needed at the State and
2	local levels; and
3	"(3) describe the involvement of States in the de-
4	velopment of the plan, pursuant to a process estab-
5	lished by the Secretary in cooperation with the States
6	in accordance with subsection (i).";
7	(6) in subsection $(e)(2)$ —
8	(A) in subparagraph (G), by adding "and"
9	at the end;
10	(B) by striking subparagraph (H); and
11	(C) by redesignating subparagraph (I) as
12	$subparagraph\ (H);$
13	(7) in subsection (g), by striking "1999 through
14	2004" and inserting "2004 through 2009 to enable the
15	Secretary to carry out the provisions of this section
16	in a timely manner through grants or cooperative
17	agreements with the States";
18	(8) in subsection (g)—
19	(A) by striking "There are" and inserting
20	$the\ following:$
21	"(1) In general.—There are"; and
22	(B) by adding at the end the following:
23	"(2) Distribution of funds.—With regard to
24	distributing funds appropriated under paragraph (1)
25	(relating to workforce and labor market information

1	funding) for fiscal years 2004 through 2009, the Sec-
2	retary shall continue to distribute the funds to the
3	States in the manner in which the Secretary distrib-
4	uted funds to the States under this section for fiscal
5	years 1999 through 2003."; and
6	(9) by adding at the end the following:
7	"(i) Coordination With the States.—The Sec-
8	retary, working though the Bureau of Labor Statistics and
9	in coordination with the Employment and Training Ad-
10	ministration, shall consult at least annually with represent-
11	atives of each of the 10 Federal regions of the Department
12	of Labor, elected (pursuant to a process established by the
13	Secretary) by and from the State workforce and labor mar-
14	ket information directors affiliated with the State agencies
15	that perform the duties described in subsection $(e)(2)$ .".
16	TITLE IV—REHABILITATION ACT
17	<b>AMENDMENTS</b>
18	SEC. 401. SHORT TITLE.
19	This title may be cited as the "Rehabilitation Act
20	Amendments of 2003".
21	SEC. 402. TECHNICAL AMENDMENTS TO TABLE OF CON-
22	TENTS.
23	(a) Incentive Grants.—Section 1(b) of the Rehabili-
24	tation Act of 1973 (29 U.S.C. 701 note) is amended by in-
25	serting after the item relating to section 112 the following:
	"Sec. 113. Incentive grants.".

1	(b) Independent Living Services for Older Indi-
2	VIDUALS Who Are Blind.—Section 1(b) of the Rehabilita-
3	tion Act of 1973 (29 U.S.C. 701 note) is amended by strik-
4	ing the items relating to sections 752 and 753 and inserting
5	the following:
	"Sec. 752. Training and technical assistance. "Sec. 753. Program of grants. "Sec. 754. Authorization of appropriations.".
6	SEC. 403. PURPOSE.
7	Section 2(b) of the Rehabilitation Act of 1973 (29
8	U.S.C. 701(b)) is amended—
9	(1) in paragraph (1)(F), by striking "and" after
10	the semicolon;
11	(2) in paragraph (2), by striking the period at
12	the end and inserting "; and"; and
13	(3) by adding at the end the following:
14	"(3) to provide opportunities for employers and
15	rehabilitation service providers to provide meaningful
16	input at all levels of government to ensure successful
17	employment of individuals with disabilities.".
18	SEC. 404. DEFINITIONS.
19	Section 7 of the Rehabilitation Act of 1973 (29 U.S.C.
20	705) is amended—
21	(1) in paragraph $(2)(B)$ —
22	(A) in the matter preceding clause (i), by
23	inserting "and literacy services" after "sup-
24	ported employment"; and

1	(B) in clause (iii), by inserting "and lit-
2	eracy skills" after "educational achievements";
3	(2) by striking paragraph (7) and inserting the
4	following:
5	"(7) Consumer organization.—The term 'con-
6	sumer organization' means a membership organiza-
7	tion in which a majority of the organization's mem-
8	bers and a majority of the organization's officers are
9	individuals with disabilities.";
10	(3) in paragraph (17)—
11	(A) in subparagraph (C), by striking "and"
12	after the semicolon;
13	(B) in subparagraph (D), by striking the
14	period at the end and inserting "; and"; and
15	(C) by adding at the end the following:
16	"(E) maintaining individuals with signifi-
17	cant disabilities in, or transitioning individuals
18	with significant disabilities to, community-based
19	living.";
20	(4) by redesignating paragraphs (24) through
21	(28), (29) through (34), and (35) through (39), as
22	paragraphs (25) through (29), (31) through (36), and
23	(38) through (42), respectively;
24	(5) by inserting after paragraph (23) the fol-
25	lowing:

1	"(24) LITERACY.—The term 'literacy' has the
2	meaning given the term in section 203 of the Adult
3	Education and Family Literacy Act (20 U.S.C.
4	9202).";
5	(6) by inserting after paragraph (29), as redesig-
6	nated by paragraph (4), the following:
7	"(30) Post-employment service.—The term
8	'post-employment' service means a service identified
9	in section 103(a) that is—
10	"(A) provided subsequent to the achievement
11	of an employment outcome; and
12	"(B) necessary for an individual to main-
13	tain, regain, or advance in employment, con-
14	sistent with the individual's strengths, resources,
15	priorities, concerns, abilities, capabilities, inter-
16	ests, and informed choice.";
17	(7) by inserting after paragraph (36), as redesig-
18	nated by paragraph (4), the following:
19	"(37) Student with a disability.—
20	"(A) In general.—The term 'student with
21	a disability' means an individual with a dis-
22	ability who attends an elementary school or sec-
23	ondary school and who—
24	"(i) is not younger than 14 years of
25	age;

1	"(ii) is not older than 21 years of age;
2	"(iii) has been determined to be eligible
3	under section 102(a) for assistance under
4	$title\ I;\ and$
5	" $(iv)(I)$ is eligible for, and receiving,
6	special education and related services under
7	part B of the Individuals with Disabilities
8	Education Act (20 U.S.C. 1411 et seq.); or
9	"(II) is an individual with a dis-
10	ability, for purposes of section 504.
11	"(B) Students with disabilities.—The
12	term 'students with disabilities' means more
13	than 1 student with a disability."; and
14	(8) in paragraph (38)(A)(ii), as redesignated by
15	paragraph (4), by striking "paragraph (36)(C)" and
16	inserting "paragraph $(39)(C)$ ".
17	SEC. 405. ADMINISTRATION OF THE ACT.
18	Section 12(a)(1) of the Rehabilitation Act of 1973 (29
19	U.S.C. 709(a)(1)) is amended—
20	(1) by inserting "(A)" after "(1)";
21	(2) by striking the semicolon and inserting ";
22	and"; and
23	(3) by adding at the end the following:

```
1
             "(B) provide technical assistance to the des-
 2
        ignated State units on developing successful partner-
 3
        ships with employers;".
    SEC. 406. CARRYOVER.
 4
 5
        Section 19 of the Rehabilitation Act of 1973 (29 U.S.C.
 6
    716) is amended—
 7
             (1) in subsection (a)(1)—
                  (A) by striking ", section 509 (except as
 8
 9
             provided in section 509(b))";
10
                  (B) by striking "or (C)"; and
                  (C) by striking "752(b)" and inserting
11
             "753(b)"; and
12
13
             (2) by adding at the end the following:
14
         "(c) Protection and Advocacy of Individual
15
    RIGHTS.—
             "(1)
16
                     APPROPRIATED
                                        AMOUNTS.—Notwith-
17
        standing any other provision of law, any funds ap-
18
        propriated for a fiscal year to carry out a grant pro-
19
        gram under section 509 (except as provided in section
20
        509(b)), including any funds reallotted under such
21
        grant program, that are not obligated and expended
22
        by recipients prior to the beginning of the succeeding
23
        fiscal year shall remain available for obligation and
24
        expenditure by such recipients during such succeeding
25
        fiscal year.
```

1	"(2) Program income.—Notwithstanding any
2	other provision of law, any amounts of program in-
3	come received by recipients under a grant program
4	under section 509 in a fiscal year that are not obli-
5	gated and expended by recipients prior to the begin-
6	ning of the succeeding fiscal year, shall remain avail-
7	able until expended.".
8	$Subtitle \ A-\!\!\!\!\!-\!$
9	Rehabilitation Services
10	SEC. 411. DECLARATION OF POLICY; AUTHORIZATION OF
11	APPROPRIATIONS.
12	Section $100(b)(1)$ of the Rehabilitation Act of 1973 (29
13	U.S.C. 720(b)(1)) is amended by striking "fiscal years 1999
14	through 2003" and inserting "fiscal years 2004 through
15	2009".
16	SEC. 412. STATE PLANS.
17	Section 101(a) of the Rehabilitation Act of 1973 (29
18	U.S.C. 721(a)) is amended—
19	(1) in paragraph (6)(B), by striking "to employ
20	and advance in employment" and inserting "to re-
21	cruit, employ, and advance in employment";
22	(2) in paragraph $(7)(A)(v)$ , by striking subclause
23	(I) and inserting the following:
24	"(I) a system for the continuing
25	education of rehabilitation profes-

1	sionals and paraprofessionals within
2	the designated State unit, particularly
3	with respect to rehabilitation tech-
4	nology, including training imple-
5	mented in coordination with State pro-
6	grams carried out under section 101 of
7	the Assistive Technology Act of 1998
8	(29 U.S.C. 3011); and";
9	(3) in paragraph (8)(A), by adding at the end
10	the following:
11	"(iii) Services identified in indi-
12	VIDUALIZED WORK PLAN.—For purposes of
13	clause (i), for an individual who receives
14	assistance under the Ticket to Work and
15	Self-Sufficiency Program established under
16	section 1148 of the Social Security Act (42
17	U.S.C. 1320b-19), comparable benefits and
18	services available under such program only
19	include those benefits and services identified
20	in the individual's individualized work
21	plan developed by an employment network
22	pursuant to such section.";
23	(4) in paragraph (10)—
24	(A) in subparagraph (B), by striking "an-
25	nual reporting on the eligible individuals receiv-

1	ing the services, on those specific data elements
2	described in section $136(d)(2)$ of the Workforce
3	Investment Act of 1998" and inserting "annual
4	reporting of information on eligible individuals
5	receiving services that is needed to assess per-
6	formance on the core indicators of performance
7	described in section $136(b)(2)(A)(i)$ of the Work-
8	force Investment Act of 1998";
9	(B) in subparagraph (C), by striking
10	clauses (iii) and (iv) and inserting the following:
11	"(iii) the number of applicants and el-
12	igible recipients, including the number of
13	individuals with significant disabilities,
14	who exited the program carried out under
15	this title and the number of such individ-
16	uals who achieved employment outcomes
17	after receiving vocational rehabilitation
18	services; and
19	"(iv) the number of individuals who
20	received vocational rehabilitation services
21	who entered and retained employment and
22	the increases in earnings of such individ-
23	uals, consistent with State reporting respon-
24	sibilities pursuant to section $136(b)(2)(A)(i)$

1	of the Workforce Investment Act of 1998.";
2	and
3	(C) in $subparagraph$ $(E)(ii)$ , $by$ $striking$
4	"in meeting" and all that follows through the pe-
5	riod and inserting "in meeting the standards
6	and indicators established pursuant to section
7	106.";
8	(5) in paragraph (11)—
9	(A) by striking subparagraph (C) and in-
10	serting the following:
11	"(C) Interagency cooperation with
12	OTHER AGENCIES.—The State plan shall include
13	descriptions of interagency cooperation with, and
14	utilization of the services and facilities of, Fed-
15	eral, State, and local agencies and programs, in-
16	cluding the State programs carried out under
17	section 101 of the Assistive Technology Act of
18	1998 (29 U.S.C. 3011), programs carried out by
19	the Under Secretary for Rural Development of
20	the Department of Agriculture, and State use

contracting programs, to the extent that such

agencies and programs are not carrying out ac-

tivities through the statewide workforce invest-

ment system.";

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1	(B) by striking subparagraph (D)(ii) and
2	inserting the following:
3	"(ii) transition planning by personnel
4	of the designated State agency and the State
5	educational agency that will facilitate the
6	development and completion of the individ-
7	ualized education programs under section
8	614(d) of the Individuals with Disabilities
9	Education Act (20 U.S.C. 1414(d)) and, as
10	appropriate, the development and comple-
11	tion of the individualized plan for employ-
12	ment, in order to achieve post-school em-
13	ployment outcomes of students with disabil-
14	ities;"; and
15	(C) by adding at the end the following:
16	"(G) Coordination with ticket to work
17	AND SELF-SUFFICIENCY PROGRAM.—The State
18	plan shall provide that the designated State unit
19	will coordinate activities with any other State
20	agency that administers a Ticket to Work and
21	Self-Sufficiency Program established under sec-
22	tion 1148 of the Social Security Act (42 U.S.C.
23	1320b–19)."; and
24	(6) in paragraph (20)—

1	(A) by redesignating subparagraph (B) as
2	$subparagraph\ (D);$
3	(B) by inserting after subparagraph (A) the
4	following:
5	"(B) Information on assistance for
6	BENEFICIARIES OF ASSISTANCE UNDER TITLE II
7	OR XVI OF THE SOCIAL SECURITY ACT.—The
8	State plan shall include an assurance that the
9	designated State agency will make available to
10	individuals entitled to benefits under title II or
11	XVI of the Social Security Act (42 U.S.C. 401
12	et seq., 1381 et seq.) on the basis of a disability
13	or blindness, information on the availability
14	of
15	"(i) medical assistance under the State
16	medicaid program under title XIX of the
17	Social Security Act (42 U.S.C. 1396 et
18	seq.);
19	"(ii) benefits under the medicare pro-
20	gram under title XVIII of the Social Secu-
21	rity Act (42 U.S.C. 1395 et seq.);
22	"(iii) assistance through benefits plan-
23	ning and assistance programs under section
24	1149 of the Social Security Act (42 U.S.C.
25	1320b-20) and protection and advocacy

1	programs under section 1150 of the Social
2	Security Act (42 U.S.C. 1320b-21); and
3	"(iv) medical assistance under other
4	federally funded programs.
5	"(C) Information for individuals
6	UNDER THE TICKET TO WORK PROGRAM.—The
7	State plan shall include an assurance that the
8	designated State agency will make available to
9	individuals entitled to benefits under title II or
10	XVI of the Social Security Act (42 U.S.C. 401
11	et seq., 1381 et seq.) on the basis of a disability
12	or blindness and eligible for assistance under the
13	Ticket to Work and Self-Sufficiency Program es-
14	tablished under section 1148 of the Social Secu-
15	rity Act (42 U.S.C. 1320b-19), general informa-
16	tion regarding the Ticket to Work and Self-Suffi-
17	ciency Program and specific information on how
18	to contact the program manager of the Ticket to
19	Work and Self-Sufficiency Program to obtain in-
20	formation on approved employment networks.";
21	and
22	(C) in $subparagraph$ $(D)(ii)$ , as $redesig$ -
23	nated by subparagraph (A)—

1	(i) in subclause (II), by inserting ", to
2	the maximum extent possible," after "point
3	of contact"; and
4	(ii) in subclause (III), by striking "or
5	regain" and inserting "regain, or advance
6	in".
7	SEC. 413. ELIGIBILITY AND INDIVIDUALIZED PLAN FOR EM-
8	PLOYMENT.
9	Section 102 of the Rehabilitation Act of 1973 (29
10	U.S.C. 722) is amended—
11	(1) in subsection (b)—
12	(A) in paragraph (1)—
13	(i) in subparagraph (A), by striking
14	the semicolon at the end and inserting ",
15	including a listing of all the community re-
16	sources (including resources from consumer
17	organizations), to the maximum extent pos-
18	sible, to assist in the development of such
19	individual's individualized plan for em-
20	ployment to enable the individual to make
21	informed and effective choices in developing
22	the individualized plan for employment;";
23	and
24	(ii) in subparagraph (D)—

1	(I) in clause (i), by striking
2	"and" after the semicolon;
3	(II) in clause (ii), by striking the
4	period at the end and inserting a semi-
5	colon; and
6	(III) by adding at the end the fol-
7	lowing:
8	"(iii) for individuals entitled to benefits
9	under title II or XVI of the Social Security Act
10	(42 U.S.C. 401 et seq., 1381 et seq.) on the basis
11	of a disability or blindness, information on the
12	availability of—
13	"(I) medical assistance under the State
14	medicaid program under title XIX of the
15	Social Security Act (42 U.S.C. 1396 et
16	seq.);
17	"(II) benefits under the medicare pro-
18	gram under title XVIII of the Social Secu-
19	rity Act (42 U.S.C. 1395 et seq.);
20	"(III) assistance through benefits plan-
21	ning and assistance programs under section
22	1149 of the Social Security Act (42 U.S.C.
23	1320b-20) and protection and advocacy
24	programs under section 1150 of the Social
25	Security Act (42 U.S.C. 1320b-21); and

1	"(IV) medical assistance under other
2	federally funded programs; and
3	"(iv) for individuals entitled to benefits
4	under title II or XVI of the Social Security Act
5	(42 U.S.C. 401 et seq., 1381 et seq.) on the basis
6	of a disability or blindness and eligible for as-
7	sistance under the Ticket to Work and Self-Suffi-
8	ciency Program established under section 1148 of
9	the Social Security Act (42 U.S.C. 1320b-19),
10	information—
11	"(I) on the options under the Ticket to
12	Work and Self-Sufficiency Program; and
13	"(II) on how to contact the program
14	manager of the Ticket to Work and Self-
15	Sufficiency Program who has contact infor-
16	mation on approved employment networks,
17	the benefits planning and assistance pro-
18	grams in the area, and the protection and
19	advocacy programs in the area.";
20	(B) in paragraph $(2)(E)$ —
21	(i) in clause (i)(II), by striking "and"
22	after the semicolon;
23	(ii) in clause (ii), by striking the pe-
24	riod at the end and inserting "; and"; and

1	(iii) by adding at the end the fol-
2	lowing:
3	"(iii) amended, as necessary, to in-
4	clude the post-employment services and
5	service providers that are necessary for the
6	individual to maintain, regain, or advance
7	in employment, consistent with the individ-
8	ual's strengths, resources, priorities, con-
9	cerns, abilities, capabilities, interests, and
10	informed choice."; and
11	(C) in paragraph (3)—
12	(i) in subparagraph $(B)(i)(I)$ , by strik-
13	ing "and personal assistance services" and
14	inserting "mentoring services, and personal
15	assistance services";
16	(ii) in subparagraph (F)(ii), by strik-
17	ing "and" after the semicolon;
18	(iii) in subparagraph (G), by striking
19	the period at the end and inserting a semi-
20	colon; and
21	(iv) by adding at the end the following:
22	"(H) for a student with a disability, the de-
23	scription—

1	"(i) in paragraph (3)(A), may be a de-
2	scription of the student's projected post-
3	school employment outcome; and
4	"(ii) in paragraph (3)(B), shall in-
5	clude the specific transition services (includ-
6	ing, as appropriate, work experience and
7	mentoring activities) needed to achieve the
8	student's employment outcome or projected
9	employment outcome; and
10	"(I) for an individual who is receiving as-
11	sistance under the Ticket to Work and Self-Suffi-
12	ciency Program established under section 1148 of
13	the Social Security Act (42 U.S.C. 1320b-19), a
14	list of services such individual receives from an
15	employment network other than the designated
16	State unit."; and
17	(2) in subsection (c)(7), by inserting "that take
18	into consideration the informed choice of the indi-
19	vidual," after "plan development,".
20	SEC. 414. VOCATIONAL REHABILITATION SERVICES.
21	Section 103(a) of the Rehabilitation Act of 1973 (29
22	U.S.C. 723(a)) is amended—
23	(1) in paragraph (5), by inserting 'literacy serv-
24	ices." after "vocational adjustment services.":

1	(2) in paragraph (17), by striking "and" after
2	$the \ semicolon;$
3	(3) in paragraph (18), by striking the period at
4	the end and inserting "; and"; and
5	(4) by adding at the end the following:
6	"(19) mentoring services.".
7	SEC. 415. STATE REHABILITATION COUNCIL.
8	Section 105(b) of the Rehabilitation Act of 1973 (29
9	U.S.C. 725(b)) is amended—
10	(1) in paragraph (1)(A), by striking clause (ix)
11	and inserting the following:
12	"(ix) in a State in which 1 or more
13	projects provide services under section 121,
14	not less than 1 representative of the direc-
15	tors of the projects;"; and
16	(2) by striking paragraph (5) and inserting the
17	following:
18	"(5) Chairperson.—The Council shall select a
19	chairperson from among the voting membership of the
20	Council.".
21	SEC. 416. EVALUATION STANDARDS AND PERFORMANCE IN-
22	DICATORS.
23	Section $106(b)(2)(B)(i)$ of the Rehabilitation Act of
24	1973 (29 U.S.C. 726(b)(2)(B)(i)) is amended by striking
25	", if necessary" and all that follows through the semicolon

and inserting "if the State has not improved its performance to acceptable levels, as determined by the Commissioner, direct the State to make further revisions to the plan to improve performance, which may include allocating a higher proportion of the State's resources for services to individuals with disabilities if the State's spending on such services is low in comparison to spending on such services 8 in comparable agencies in other States;". SEC. 417. STATE ALLOTMENTS. 10 Section 110 of the Rehabilitation Act of 1973 (29 11 *U.S.C.* 730) is amended— 12 (1) by striking subsection (b) and inserting the 13 following: "(b) Reallotment.— 14 15 "(1) Determination.—Not later than 45 days 16 prior to the end of the fiscal year, the Commissioner 17 shall determine, after reasonable opportunity for the 18 submission to the Commissioner of comments by the 19 State agency administering or supervising the pro-20 gram established under this title, that any payment 21 of an allotment to a State under section 111(a) for

any fiscal year will not be utilized by such State in

carrying out the purposes of this title.

24 "(2) FORMULA.—

22

1 "(A) In general.—As soon as practicable 2 but not later than the end of the fiscal year, the Commissioner shall reallot the amount available 3 4 under paragraph (1) to other States, consistent with subparagraphs (B) and (C), for carrying 5 6 out the purposes of this title to the extent the 7 Commissioner determines such other State will 8 be able to use such additional amount during 9 that fiscal year or the subsequent fiscal year for 10 carrying out such purposes. "(B) FORMULA.— 11 12 "(i) Eligible states.—The Commis-13 sioner shall reallot the amount available 14 under paragraph (1) for a fiscal year to 15 each State whose allotment under subsection 16 (a) for such fiscal year is less than such 17 State's allotment under subsection (a) for 18 the immediately preceding fiscal year in-19 creased by the percentage change in the 20 funds available for subsection (a) from the 21 immediately preceding fiscal year. 22 "(ii) Amount.— 23 "(I) In general.—A State that 24 is eligible to receive a reallotment

under clause (i) shall receive an

1	amount for a fiscal year from the
2	amount available for reallotment under
3	paragraph (1) that is equal to the dif-
4	ference between—
5	"(aa) the amount such State
6	received for such fiscal year; and
7	"(bb) the amount such State
8	was allotted under subsection (a)
9	for the immediately preceding fis-
10	cal year adjusted by the percent-
11	age change in the funds available
12	for subsection (a) from the imme-
13	diately preceding fiscal year.
14	"(II) Insufficient funds.—If
15	the amount available for reallotment
16	under paragraph (1) is insufficient to
17	provide each State eligible to receive a
18	reallotment with the amount described
19	in subclause (I), the amount reallotted
20	to each eligible State shall be deter-
21	mined by the Commissioner.
22	"(C) Remaining funds.—If there are funds
23	remaining after each State eligible to receive a
24	$reallot ment\ under\ subparagraph\ (B)(i)\ receives$
25	the amount described in subparagraph (B)(ii),

1	the Commissioner shall reallot the remaining
2	funds among the States requesting a reallotment.
3	"(3) Non-federal share.—The Commissioner
4	shall reallot an amount to a State under this sub-
5	section only if the State will be able to make sufficient
6	payments from non-Federal sources to pay for the
7	non-Federal share of the cost of vocational rehabilita-
8	tion services under the State plan for the fiscal year
9	for which the amount was appropriated.
10	"(4) Increase in allotment.—For the pur-
11	poses of this part, any amount made available to a
12	State for any fiscal year pursuant to this subsection
13	shall be regarded as an increase of such State's allot-
14	ment (as determined under the preceding provisions
15	of this section) for such year."; and
16	(2) by striking subsection (c)(2) and inserting
17	$the\ following:$
18	"(2)(A) In this paragraph:
19	"(i) The term 'appropriated amount' means the
20	amount appropriated under section 100(b)(1) for al-
21	lotment under this section.
22	"(ii) The term 'covered year' means a fiscal
23	year—
24	"(I) that begins after September 30, 2003;
25	and

1	"(II) for which the appropriated amount
2	exceeds the total of—
3	"(aa) the appropriated amount for the
4	preceding fiscal year; and
5	"(bb) 0.075 percent of the appropriated
6	amount for the preceding fiscal year.
7	"(B) For each covered year, the sum referred to in
8	paragraph (1) shall be, as determined by the Secretary—
9	"(i) not less than the total of the sum reserved
10	under this subsection for the preceding fiscal year and
11	0.1 percent of the appropriated amount for the cov-
12	ered year; and
13	"(ii) not more than 1.5 percent of the appro-
14	priated amount for the covered year.".
15	SEC. 418. CLIENT ASSISTANCE PROGRAM.
16	Section 112 of the Rehabilitation Act of 1973 (29
17	U.S.C. 732) is amended—
18	(1) in subsection (a), by striking "States" and
19	inserting "agencies designated under subsection (c)";
20	(2) in subsection (e)—
21	(A) in paragraph (1)—
22	(i) in subparagraph (A), by striking
23	"The Secretary" and all that follows
24	through the period and inserting the fol-
25	lowing: "After reserving funds under sub-

1	paragraphs $(E)$ and $(F)$ , the Secretary shall
2	allot the remainder of the sums appro-
3	priated for each fiscal year under this sec-
4	tion among the agencies designated under
5	subsection (c) within the States on the basis
6	of relative population of each State, except
7	that no such agency shall receive less than
8	\$50,000.";
9	(ii) in subparagraph (B), by inserting
10	"the designated agencies located in" after
11	"each to";
12	$(iii)\ in\ subparagraph\ (D)(i)$ —
13	(I) by inserting "the designated
14	agencies located in" after "\$100,000
15	for"; and
16	(II) by inserting "the designated
17	agencies located in" after "\$45,000
18	for"; and
19	(iv) by adding at the end the following:
20	"(E)(i) Beginning on October 1, 2004, for any fiscal
21	year for which the amount appropriated to carry out this
22	section equals or exceeds \$13,000,000, the Secretary shall
23	reserve funds appropriated under this section to make
24	grants to the protection and advocacy system serving the
25	American Indian Consortium to provide client assistance

- services in accordance with this section. The amount of such grants shall be the same amount as provided to territories under subparagraph (B), as increased under clauses (i) and 3 4 (ii) of subparagraph (D). 5 "(ii) In this subparagraph: 6 "(I) The term 'American Indian Consortium' has the meaning given the term in section 102 of the 7 8 Developmental Disabilities Assistance and Bill of 9 Rights Act of 2000 (42 U.S.C. 15002). 10 "(II) The term 'protection and advocacy system' 11 means a protection and advocacy system established 12 under subtitle C of title I of the Developmental Dis-13 abilities Assistance and Bill of Rights Act of 2000 (42) 14 U.S.C. 15041 et seq.). 15 "(F) For any fiscal year for which the amount appropriated to carry out this section equals or exceeds 16 17 \$14,000,000, the Secretary shall reserve not less than 1.8 percent and not more than 2.2 percent of such amount to 18 provide training and technical assistance to the programs 20 established under this section. Such training and technical 21 assistance shall be coordinated with activities provided
- 23 (B) in paragraph (2)—

under section 509(c)(1)(A).";

1	(i) by striking "State" each place such
2	term appears and inserting "designated
3	agency"; and
4	(ii) by striking "States" each place
5	such term appears and inserting "des-
6	ignated agencies"; and
7	(C) in paragraph (3), by striking "Except
8	as specifically prohibited by or as otherwise pro-
9	vided in State law, the Secretary shall pay" and
10	inserting "The Secretary shall pay directly";
11	(3) in subsection (f), by striking "State" and in-
12	serting "agency designated under subsection (c)"; and
13	(4) in subsection (h), by striking "fiscal years
14	1999 through 2003" and inserting "fiscal years 2004
15	through 2009".
16	SEC. 419. INCENTIVE GRANTS.
17	Part B of title I of the Rehabilitation Act of 1973 (29)
18	U.S.C. 730 et seq.) is amended by adding at the end the
19	following:
20	"SEC. 113. INCENTIVE GRANTS.
21	"(a) Authority.—The Commissioner is authorized to
22	make incentive grants to States that, based on the criteria
23	$established\ under\ subsection\ (b) (1),\ demonstrate —$
24	"(1) a high level of performance; or

1	"(2) a significantly improved level of perform-
2	ance as compared to the previous reporting period or
3	periods.
4	"(b) Criteria.—
5	"(1) Establishment.—Not later than 180 days
6	after the date of enactment of this section, the Com-
7	missioner shall establish, and publish in the Federal
8	Register, criteria for making grant awards under sub-
9	section (a).
10	"(2) Development and evaluation stand-
11	ARDS.—The criteria under paragraph (1) shall—
12	"(A) be developed with input from State vo-
13	cational rehabilitation agencies and other voca-
14	tional rehabilitation stakeholders, including vo-
15	cational rehabilitation consumers and consumer
16	organizations; and
17	"(B) be based upon the evaluation stand-
18	ards and performance indicators established
19	under section 106 and other performance related
20	measures that the Commissioner determines to be
21	appropriate.
22	"(c) Use of Funds.—A State that receives a grant
23	under subsection (a) shall use the grant funds for any ap-
24	proved activities in the State's State plan submitted under
25	section 101.

1	"(d) No Non-Federal Share Requirement.—The
2	provisions of sections $101(a)(3)$ and $111(a)(2)$ shall not
3	apply to this section.
4	"(e) Authorization of Appropriations.—There are
5	authorized to be appropriated to carry out this section such
6	sums as may be necessary for each of fiscal years 2004
7	through 2009.".
8	SEC. 420. VOCATIONAL REHABILITATION SERVICES
9	GRANTS.
10	Section 121 of the Rehabilitation Act of 1973 (29
11	U.S.C. 741) is amended—
12	(1) in subsection (a), in the first sentence, by in-
13	serting ", consistent with such individuals' strengths,
14	resources, priorities, concerns, abilities, capabilities,
15	interests, and informed choice, so that such individ-
16	uals may prepare for, and engage in, gainful employ-
17	ment" before the period at the end; and
18	(2) in subsection (b)—
19	(A) in paragraph (1)—
20	(i) in subparagraph (B), by striking
21	"and" after the semicolon;
22	(ii) in subparagraph (C), by striking
23	the period at the end and inserting "; and";
24	and

1	(iii) by adding at the end the fol-
2	lowing:
3	"(D) contains assurances that—
4	"(i) all decisions affecting eligibility for vo-
5	cational rehabilitation services, the nature and
6	scope of available services, and the provision of
7	such services, will be made by a representative of
8	the tribal vocational rehabilitation program; and
9	"(ii) such decisions will not be delegated to
10	another agency or individual.";
11	(B) in paragraph (3), by striking the first
12	sentence and inserting the following: "An appli-
13	cation approved under this part that complies
14	with the program requirements set forth in the
15	regulations promulgated to carry out this part
16	shall be effective for 5 years and shall be renewed
17	for additional 5-year periods if the Commis-
18	sioner determines that the grantee demonstrated
19	acceptable past performance and the grantee sub-
20	mits a plan, including a proposed budget, to the
21	Commissioner that the Commissioner approves
22	that identifies future performance criteria, goals,
23	and objectives."; and
24	(C) by striking paragraph (4) and inserting
25	$the\ following:$

1 "(4) In allocating funds under this part, the Secretary
2 shall give priority to paying the continuation costs of exist3 ing projects and may provide for increases in funding for
4 such projects as determined necessary.".

## 5 SEC. 421. GAO STUDIES.

- 6 (a) Study on Title I and Ticket to Work.—
- 7 (1) In General.—The Comptroller General of 8 the United States shall conduct a study on the inter-9 action of title I of the Rehabilitation Act of 1973 (29) 10 U.S.C. 720 et seg.) with the Ticket to Work and Self-11 Sufficiency Program established under section 1148 of 12 the Social Security Act (42 U.S.C. 1320b-19), includ-13 ing the impact of the interaction on beneficiaries, 14 community rehabilitation programs, and State voca-15 tional rehabilitation agencies.
  - (2) Conduct of Study.—In conducting the study under paragraph (1), the Comptroller General of the United States shall consult with all participants in the Ticket to Work and Self-Sufficiency Program, including the Social Security Administration, the Rehabilitation Services Administration, ticketholders, State agencies, community rehabilitation programs (including employment networks and non-employment networks), protection and advocacy agen-

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- cies, MAXIMUS, and organizations representing the
   interests of ticketholders.
- 3 (3) REPORT TO CONGRESS.—Not later than 18
  4 months after the date of enactment of this title, the
  5 Comptroller General of the United States shall submit
  6 the study conducted pursuant to this subsection to the
  7 appropriate committees of Congress.

## 8 (b) Study on the Allotment Formula.—

- (1) In General.—The Comptroller General of the United States shall conduct a study on the relationship between the State allotment formula under section 110 of the Rehabilitation Act of 1973 (29 U.S.C. 730) and the ability of States to provide vocational rehabilitation services in accordance with the State's State plan under section 101 of such Act.
- (2) CONDUCT OF STUDY.—In conducting the study under paragraph (1), the Comptroller General of the United States shall consult with appropriate entities.
- (3) Report to congress.—Not later than 12 months after the date of enactment of this title, the Comptroller General of the United States shall submit the study conducted pursuant to this subsection to the appropriate committees of Congress.

## 1 Subtitle B—Research and Training

2	SEC. 431. AUTHORIZATION OF APPROPRIATIONS.
3	Section 201(a) of the Rehabilitation Act of 1973 (29
4	U.S.C. 761(a)) is amended—
5	(1) in paragraph (1), by striking "fiscal years
6	1999 through 2003" and inserting "fiscal years 2004
7	through 2009"; and
8	(2) in paragraph (2), by striking "fiscal years
9	1999 through 2003" and inserting "fiscal years 2004
10	through 2009".
11	SEC. 432. NATIONAL INSTITUTE ON DISABILITY AND REHA-
12	BILITATION RESEARCH.
13	Section 202(f)(1) of the Rehabilitation Act of 1973 (29
14	U.S.C. 762(f)(1)) is amended by striking "Federal employ-
15	ees" and inserting "Department of Education employees".
16	SEC. 433. RESEARCH AND OTHER COVERED ACTIVITIES.
17	Section $204(c)(2)$ of the Rehabilitation Act of 1973 (29
18	$U.S.C.\ 764(c)(2))$ is amended by striking "\$500,000" and
19	inserting "\$750,000".
20	SEC. 434. REHABILITATION RESEARCH ADVISORY COUNCIL.
21	Section 205(c) of the Rehabilitation Act of 1973 (29
22	U.S.C. 765(c)) is amended by adding at the end the fol-
23	lowing: "The Council also shall include a representative
24	from the business community who has experience with the

1	vocational rehabilitation system and hiring individuals
2	with disabilities.".
3	Subtitle C—Professional Develop-
4	ment and Special Projects and
5	Demonstrations
6	SEC. 441. TRAINING.
7	Section 302 of the Rehabilitation Act of 1973 (29
8	U.S.C. 772) is amended—
9	(1) in subsection $(b)(1)(B)(i)$ , by striking "or
10	prosthetics and orthotics" and inserting "prosthetics
11	and orthotics, rehabilitation for the blind, or orienta-
12	tion and mobility instruction"; and
13	(2) in subsection (i), by striking "fiscal years
14	1999 through 2003" and inserting "fiscal years 2004
15	through 2009".
16	SEC. 442. DEMONSTRATION AND TRAINING PROGRAMS.
17	Section 303 of the Rehabilitation Act of 1973 (29
18	U.S.C. 773) is amended—
19	(1) in subsection $(b)(5)(A)(i)$ , by striking "spe-
20	cial projects" and inserting "not less than 2 special
21	projects";
22	(2) by redesignating subsections (c), (d), and (e)
23	as subsections (e), (f), and (h), respectively;
24	(3) by inserting after subsection (b) the fol-
25	lowing:

1	"(c) Demonstration Projects for Employment
2	OF STUDENTS WITH INTELLECTUAL DISABILITIES OR
3	Mental Illness.—
4	"(1) Purpose.—The purpose of this subsection
5	is to support model demonstration projects to provide
6	supported and competitive employment experiences
7	for students with intellectual disabilities or students
8	with mental illness, and training for personnel that
9	work with students described in this paragraph, to
10	enable the students to gain employment skills and ex-
11	perience that will promote effective transitions from
12	school to employment and adult living.
13	"(2) Grants authorized.—
14	"(A) Competitive grants authorized.—
15	The Secretary may award grants, contracts, and
16	cooperative agreements, on a competitive basis,
17	to eligible organizations described in paragraph
18	(3), to enable the organizations to carry out
19	demonstration projects described in paragraph
20	(1).
21	"(B) Duration.—The Secretary shall
22	award grants under this subsection for periods of
23	3 to 5 years.

1	"(3) Eligible organizations.—To be eligible
2	to receive a grant, contract, or cooperative agreement
3	under this subsection, an organization shall—
4	"(A) have expertise in providing employ-
5	ment and support services for individuals with
6	intellectual disabilities or individuals with men-
7	$tal\ illness;$
8	"(B) have a proven track record in success-
9	fully running supported employment programs;
10	"(C) provide employment services that are
11	exclusively integrated community-based sup-
12	ported employment services;
13	"(D) have expertise in creating natural sup-
14	ports for employment;
15	"(E) have expertise in providing computer
16	training for the targeted population for the
17	project involved; and
18	"(F) have experience operating mentoring
19	programs for the target population in middle
20	and high schools for at least a decade in diverse
21	communities throughout the Nation.
22	"(4) Applications.—Each organization desir-
23	ing to receive a grant, contract, or cooperative agree-
24	ment under this subsection shall submit an applica-
25	tion to the Secretary at such time, in such manner,

1	and including such information as the Secretary may
2	require. Each application shall include—
3	"(A) a description of how the organization
4	plans to carry out the activities authorized in
5	this subsection through a demonstration project;
6	"(B) a description of how the organization
7	will evaluate the project;
8	"(C) a description of how the organization
9	will disseminate information about the activities
10	and the impact of the activities on the lives of
11	students served by the project; and
12	"(D) a description of how the organization
13	will coordinate activities with any other relevant
14	service providers in the locality where the orga-
15	nization is based, including federally supported
16	independent living centers.
17	"(5) AUTHORIZED ACTIVITIES.—An organization
18	that receives a grant under this subsection shall use
19	the funds made available through the grant to carry
20	out 1 or more of the following activities for individ-
21	uals, ages 14 through 21, who are students with intel-
22	lectual disabilities or students with mental illness:
23	"(A) Providing supported and competi-
24	TIVE EMPLOYMENT EXPERIENCES.—The develop-
25	ment of innovative and effective supported and

competitive employment experiences after school, on weekends, and in the summer, utilizing natural supports that lead to competitive high-paying jobs.

"(B) Providing training to school and deployment of experts to work with transition programs (including personnel working with students on transition) so that personnel from the programs develop skills needed to train students with intellectual disabilities or students with mental illness to be successful in competitive employment in a range of settings, including office settings. The training shall include training for the personnel in providing instruction to students in computer skills, office skills, interview etiquette, and appropriate social behavior required for successful long-term employment in professional environments.

"(6) AUTHORIZATION OF APPROPRIATIONS.—
There are authorized to be appropriated to carry out
this subsection \$5,000,000 for fiscal year 2004 and
such sums as may be necessary for fiscal years 2005
through 2008.

1	"(d) Demonstration Project for Employment of
2	Individuals who are Deaf and Low Functioning.—
3	"(1) Purpose.—It is the purpose of this sub-
4	section to support a model demonstration project to
5	provide training and support services for individuals
6	who are deaf and low functioning to enable them to
7	gain employment skills that will allow them to become
8	employed and economically self-sufficient.
9	"(2) Definition.—
10	"(A) In General.—In this subsection, the
11	term 'individual who is deaf and low func-
12	tioning' means an individual who has been deaf
13	from birth or very early childhood, reads at or
14	below the second grade level, has little or no in-
15	telligible speech, and lacks a high school diploma
16	or~GED.
17	"(B) Secondary disabilities.—Such
18	term may include an individual with a sec-
19	ondary disability.
20	"(3) Grants authorized.—
21	"(A) Competitive grants authorized.—
22	The Secretary may award grants to State agen-
23	cies, other public agencies or organizations, or
24	not-for-profit organizations with expertise in
25	providing employment training and support

services for individuals who are deaf and low functioning to support model demonstration projects.

"(B) DURATION.—Grants under this subsection shall be awarded for a period not to exceed 5 years.

## "(4) Authorized activities.—

- "(A) Developing a comprehensive that training locations through such means as distance learning and use of advanced technology, as appropriate. Such training program by other training providers.
- "(B) IMPLEMENTATION.—Each grant recipient shall implement the comprehensive training program developed in subparagraph (A) as soon as feasible. Such training shall provide instruction on the job and the social skills necessary for successful long-term employment of individuals who are deaf and low functioning.

1	"(C) Establishing a post-training pro-
2	GRAM OF EMPLOYMENT AND SUPPORT SERV-
3	ices.—Each grant recipient shall implement
4	employment and support services to assist indi-
5	viduals who complete the training program
6	under subparagraph (A) in securing employment
7	and transitioning to the workplace for a period
8	of not less than 90 days subsequent to placement.
9	"(5) Applications.—Each entity desiring to re-
10	ceive a grant under this subsection shall submit an
11	application to the Secretary at such time, in such
12	manner, and accompanied by such information as the
13	Secretary may require including—
14	"(A) a description of how the applicant
15	plans to address the activities authorized under
16	$this\ subsection;$
17	"(B) a description of the evaluation plan to
18	be used in the project;
19	"(C) a description of how the applicant will
20	disseminate information about the training pro-
21	gram developed and the results of the model dem-
22	onstration project; and
23	"(D) a description of how the project will
24	coordinate with any other relevant service pro-
25	viders or entities providing employment training

1	and supports for individuals who are deaf and
2	low functioning.
3	"(6) Mandated evaluation and dissemina-
4	TION ACTIVITIES.—
5	"(A) Annual report.—Not later than 2
6	years after the date on which a grant under this
7	subsection is awarded and annually thereafter,
8	each grant recipient shall submit to the Commis-
9	sioner a report containing—
10	"(i) the number of individuals who are
11	participating in the demonstration project
12	funded under this subsection;
13	"(ii) the employment and other skills
14	being taught in the project;
15	"(iii) the number of individuals par-
16	ticipating in the project that are placed in
17	employment;
18	"(iv) the job sites in which those indi-
19	viduals are placed and the type of jobs they
20	are placed in; and
21	"(v) the number of individuals who
22	have dropped out of the project and the rea-
23	sons for their terminating participation in
24	$the\ project.$

1	"(B) Evaluation of the project.—Each
2	grant recipient shall implement the evaluation
3	plan approved in its application for determining
4	the results of the project within the timeframe
5	specified in, and following the provisions of, its
6	approved application.
7	"(C) Participant evaluation process;
8	FINAL EVALUATION.—In the final year of the
9	project, the grant recipient will produce a final
10	evaluation report of the results of the model dem-
11	onstration project containing—
12	"(i) the number of individuals who
13	participated in the training program;
14	"(ii) a description of the job sites in
15	which those individuals were placed;
16	"(iii) the number of individuals placed
17	in employment and the type of employment
18	in which they were placed;
19	"(iv) the number of individuals who
20	did not complete their training and the rea-
21	sons those individuals dropped out of the
22	project;
23	"(v) the number of individuals who
24	participated in the training project and
25	who remain employed as of 2 months prior

1	to the date on which the final report is sub-
2	mitted to the Secretary;
3	"(vi) a written analysis of the model
4	project, including both the strengths and
5	weaknesses of the project, to assist other en-
6	tities in replicating the training program
7	developed through this model demonstration
8	project; and
9	"(vii) such other information as the
10	Secretary determines appropriate.
11	"(D) Dissemination.—Not later than 5
12	years after the date on which an award is grant-
13	ed under this subsection, the evaluations and re-
14	sults of activities funded by such grant shall be
15	disseminated to State vocational rehabilitation
16	agencies, school systems providing instruction to
17	students who are deaf, supported employment
18	providers, postsecondary vocational training pro-
19	grams, employers, the Social Security Adminis-
20	tration, and other interested parties.
21	"(7) Authorization of Appropriations.—
22	There are authorized to be appropriated to carry out
23	this subsection, \$5,000,000 for fiscal year 2004 and
24	such sums as may be necessary for each of fiscal years
25	2005 through 2008.";

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1	(4) by inserting after subsection (f), as redesig-
2	nated by paragraph (2), the following:
3	"(g) Access to Telework.—
4	"(1) Definition of Telework.—In this sub-
5	section, the term 'telework' means to work from home
6	and other telework sites with the assistance of a com-
7	puter and with reasonable accommodations, including
8	the necessary equipment to facilitate successful work
9	from home and other telework sites.
10	"(2) Authorization of Program.—The Com-
11	missioner is authorized to make grants to States and
12	governing bodies of American Indian tribes located on
13	Federal and State reservations (and consortia of such
14	governing bodies) to pay for the Federal share of the
15	cost of establishing or expanding a telework program.
16	"(3) Application.—A State that desires to re-
17	ceive a grant under this subsection shall submit an

Commissioner may require.

"(4) USE OF FUNDS.—A State that receives a grant under this subsection shall establish or expand a telework program that shall provide loans or other alternative financing mechanisms to individuals with

application to the Commissioner at such time, in such

manner, and containing such information as the

25 disabilities to enable such individuals to purchase

1	computers or other equipment, including adaptive
2	equipment, that facilitates work from home and other
3	telework sites so that such individuals are able to
4	telework.
5	"(5) Annual report.—
6	"(A) In general.—A State that receives a
7	grant under this subsection shall submit an an-
8	nual report to the Commissioner.
9	"(B) Contents.—The report under sub-
10	paragraph (A) shall include the following:
11	"(i) The characteristics of each indi-
12	vidual with a disability that receives a loan
13	or other alternative financing mechanism
14	under the program, including information
15	about the individual such as the following:
16	"(I) $Age$ .
17	$``(II)\ Ethnicity.$
18	"(III) Type of disability.
19	"(IV) Employment status at the
20	time of application for a loan or other
21	alternative financing mechanism under
22	$this\ subsection.$
23	"(V) Whether the individual at-
24	tempted to secure financial support
25	from other sources to enable the indi-

1	vidual to telework and, if so, a descrip-
2	tion of such sources.
3	"(VI) Whether the individual is
4	working and, if so, whether the indi-
5	vidual teleworks, the occupation in
6	which the individual is working, the
7	hourly salary the individual receives,
8	and the hourly salary of the individual
9	prior to receiving a loan or other alter-
10	native financing mechanism under the
11	program.
12	"(VII) Whether the individual has
13	repaid the loan or other alternative fi-
14	nancing mechanism received under the
15	program, is in repayment status, is de-
16	linquent on repayments, or has de-
17	faulted on the loan or other alternative
18	financing mechanism.
19	"(ii) Any other information that the
20	Commissioner may require.
21	"(6) FEDERAL SHARE.—The Federal share of the
22	cost of establishing a telework program shall be 10
23	percent of the cost."; and
24	(5) in subsection (h), as redesignated by para-
25	graph (2)—

1	(A) by striking "this section" and inserting
2	"this section (other than subsections (c) and
3	(d))"; and
4	(B) by striking "fiscal years 1999 through
5	2003" and inserting "fiscal years 2004 through
6	2009".
7	SEC. 443. MIGRANT AND SEASONAL FARMWORKERS.
8	Section 304(b) of the Rehabilitation Act of 1973 (29
9	U.S.C. 774(b)) is amended by striking "fiscal years 1999
10	through 2003" and inserting "fiscal years 2004 through
11	2009".
12	SEC. 444. RECREATIONAL PROGRAMS.
13	Section 305 of the Rehabilitation Act of 1973 (29
14	U.S.C. 775) is amended—
15	(1) in subsection $(a)(1)(B)$ , by striking "con-
16	struction of facilities for aquatic rehabilitation ther-
17	apy,"; and
18	(2) in subsection (b), by striking "fiscal years
19	1999 through 2003" and inserting "fiscal years 2004
20	through 2009".
21	Subtitle D—National Council on
22	Disability
23	SEC. 451. AUTHORIZATION OF APPROPRIATIONS.
24	Section 405 of the Rehabilitation Act of 1973 (29
25	U.S.C. 785) is amended by striking "fiscal years 1999

1	through 2003" and inserting "fiscal years 2004 through
2	2009".
3	Subtitle E—Rights and Advocacy
4	SEC. 461. ARCHITECTURAL AND TRANSPORTATION BAR
5	RIERS COMPLIANCE BOARD.
6	Section 502(j) of the Rehabilitation Act of 1973 (29
7	U.S.C. 792(j)) is amended by striking "fiscal years 1999
8	through 2003" and inserting "fiscal years 2004 through
9	2009".
10	SEC. 462. PROTECTION AND ADVOCACY OF INDIVIDUAL
11	RIGHTS.
12	Section 509 of the Rehabilitation Act of 1973 (29
13	U.S.C. 794e) is amended—
14	(1) in subsection $(g)(2)$ , by striking "was paid"
15	and inserting "was paid, except that program income
16	generated from the amount paid to an eligible system
17	shall remain available to such system until ex-
18	pended"; and
19	(2) in subsection (l), by striking "fiscal years
20	1999 through 2003" and inserting "fiscal years 2004
21	through 2009".

1	Subtitle F—Employment Opportuni-
2	ties for Individuals With Dis-
3	abilities
4	SEC. 471. PROJECTS WITH INDUSTRY AUTHORIZATION OF
5	APPROPRIATIONS.
6	Section 612 of the Rehabilitation Act of 1973 (29
7	U.S.C. 795a) is amended by striking "fiscal years 1999
8	through 2003" and inserting "fiscal years 2004 through
9	2009".
10	SEC. 472. SERVICES FOR INDIVIDUALS WITH SIGNIFICANT
11	DISABILITIES AUTHORIZATION OF APPRO-
12	PRIATIONS.
13	Section 628 of the Rehabilitation Act of 1973 (29
14	U.S.C. 795n) is amended by striking "fiscal years 1999
15	through 2003" and inserting "fiscal years 2004 through
16	2009".
17	Subtitle G—Independent Living
18	Services and Centers for Inde-
19	pendent Living
20	SEC. 481. STATE PLAN.
21	Section 704 of the Rehabilitation Act of 1973 (42
22	U.S.C. 795c) is amended by adding at the end the following:
23	"(o) Promoting Full Access to Community
24	Life.—The plan shall describe how the State will provide
25	independent living services that promote full access to com-

1	munity life for individuals with significant disabilities. The
2	services shall include, as appropriate, facilitating transi-
3	tions from nursing homes and other institutions, including
4	institutions serving individuals with cognitive disabilities,
5	to community-based residences, assisting individuals with
6	significant disabilities at risk of entering institutions to re-
7	main in the community, and promoting home ownership
8	among individuals with significant disabilities.".
9	SEC. 482. STATEWIDE INDEPENDENT LIVING COUNCIL.
10	(a) Section 705(b) of the Rehabilitation Act of 1973
11	(29 U.S.C. 796d(b)) is amended—
12	(1) in paragraph (2), by striking subparagraph
13	(C) and inserting the following:
14	"(C) in a State in which 1 or more projects
15	provide services under section 121, not less than
16	1 representative of the directors of the projects.",
17	and
18	(2) by striking paragraph (5) and inserting the
19	following:
20	"(5) Chairperson.—The Council shall select a
21	chairperson from among the voting membership of the
2.2.	Council."

1	SEC. 483. INDEPENDENT LIVING SERVICES AUTHORIZA-
2	TION OF APPROPRIATIONS.
3	Section 714 of the Rehabilitation Act of 1973 (29
4	U.S.C. 796e-3) is amended by striking "fiscal years 1999
5	through 2003" and inserting "fiscal years 2004 through
6	2009".
7	SEC. 484. PROGRAM AUTHORIZATION.
8	Section 721 of the Rehabilitation Act of 1973 (42
9	U.S.C. 796f) is amended—
10	(1) by striking subsection (c) and inserting the
11	following:
12	"(c) Allotments to States.—
13	"(1) Definitions.—In this subsection:
14	"(A) Additional appropriation.—The
15	term 'additional appropriation' means the
16	amount (if any) by which the appropriation for
17	a fiscal year exceeds the total of—
18	"(i) the amount reserved under sub-
19	section (b) for that fiscal year; and
20	"(ii) the appropriation for fiscal year
21	2003.
22	"(B) Appropriation.—The term 'appro-
23	priation' means the amount appropriated to
24	carry out this part.
25	"(C) Base appropriation.—The term
26	base appropriation' means the portion of the ap-

1	propriation for a fiscal year that is equal to the
2	lesser of—
3	"(i) an amount equal to 100 percent of
4	the appropriation, minus the amount re-
5	served under subsection (b) for that fiscal
6	year; or
7	"(ii) the appropriation for fiscal year
8	2003.
9	"(2) Allotments to states from base ap-
10	PROPRIATION.—After the reservation required by sub-
11	section (b) has been made, the Commissioner shall
12	allot to each State whose State plan has been ap-
13	proved under section 706 an amount that bears the
14	same ratio to the base appropriation as the amount
15	the State received under this subsection for fiscal year
16	2003 bears to the total amount that all States received
17	under this subsection for fiscal year 2003.
18	"(3) Allotments to states of additional
19	APPROPRIATION.—From any additional appropria-
20	tion for each fiscal year, the Commissioner shall allot
21	to each State whose State plan has been approved
22	under section 706 an amount equal to the sum of—
23	"(A) an amount that bears the same ratio
24	to 50 percent of the additional appropriation as

1	the population of the State bears to the popu-
2	lation of all States; and
3	"(B) 1/56 of 50 percent of the additional ap-
4	propriation."; and
5	(2) by adding at the end the following:
6	"(e) Carryover Authority.—Notwithstanding any
7	other provision of law—
8	"(1) any funds appropriated for a fiscal year to
9	carry out a grant program under section 722 or 723,
10	that are not obligated and expended by recipients
11	prior to the beginning of the succeeding fiscal year
12	shall remain available for obligation and expenditure
13	by such recipients during that succeeding fiscal year
14	and the subsequent fiscal year; and
15	"(2) any amounts of program income received by
16	recipients under a grant program under section 722
17	or 723 in a fiscal year that are not obligated and ex-
18	pended by recipients prior to the beginning of the suc-
19	ceeding fiscal year, shall remain available for obliga-
20	tion and expenditure by such recipients during that
21	succeeding fiscal year and the subsequent fiscal
22	year.".

1	SEC. 485. GRANTS TO CENTERS FOR INDEPENDENT LIVING
2	IN STATES IN WHICH FEDERAL FUNDING EX-
3	CEEDS STATE FUNDING.
4	Section 722(c) of the Rehabilitation Act of 1973 (29
5	U.S.C. 796f-1(c)) is amended by striking "by September
6	30, 1997" and inserting "during the preceding year".
7	SEC. 486. GRANTS TO CENTERS FOR INDEPENDENT LIVING
8	IN STATES IN WHICH STATE FUNDING
9	EQUALS OR EXCEEDS FEDERAL FUNDING.
10	Section 723(c) of the Rehabilitation Act of 1973 (29
11	U.S.C. 796f-2(c)) is amended by striking "by September
12	30, 1997" and inserting "during the preceding year".
13	SEC. 487. STANDARDS AND ASSURANCES FOR CENTERS FOR
14	INDEPENDENT LIVING.
14 15	INDEPENDENT LIVING.  Section 725(b) of the Rehabilitation Act of 1973 (29)
15	Section 725(b) of the Rehabilitation Act of 1973 (29
15 16	Section 725(b) of the Rehabilitation Act of 1973 (29 U.S.C. 796f-4(b)) is amended by adding at the end the fol-
15 16 17	Section 725(b) of the Rehabilitation Act of 1973 (29 U.S.C. 796f-4(b)) is amended by adding at the end the following:
15 16 17 18	Section 725(b) of the Rehabilitation Act of 1973 (29 U.S.C. 796f-4(b)) is amended by adding at the end the following:  "(8) Promoting full access to community
15 16 17 18	Section 725(b) of the Rehabilitation Act of 1973 (29 U.S.C. 796f-4(b)) is amended by adding at the end the following:  "(8) Promoting full access to community Life.—The center shall provide independent living
115 116 117 118 119 220	Section 725(b) of the Rehabilitation Act of 1973 (29 U.S.C. 796f-4(b)) is amended by adding at the end the fol- lowing:  "(8) Promoting full access to community LIFE.—The center shall provide independent living services that promote full access to community life for
115 116 117 118 119 220 221	Section 725(b) of the Rehabilitation Act of 1973 (29 U.S.C. 796f-4(b)) is amended by adding at the end the following:  "(8) Promoting full access to community Life.—The center shall provide independent living services that promote full access to community life for individuals with significant disabilities. The services
115 116 117 118 119 220 221 222	Section 725(b) of the Rehabilitation Act of 1973 (29 U.S.C. 796f-4(b)) is amended by adding at the end the following:  "(8) Promoting full access to community Life.—The center shall provide independent living services that promote full access to community life for individuals with significant disabilities. The services shall include, as appropriate, facilitating transitions
115 116 117 118 119 220 221 222 223	Section 725(b) of the Rehabilitation Act of 1973 (29 U.S.C. 796f-4(b)) is amended by adding at the end the following:  "(8) Promoting full access to community Life.—The center shall provide independent living services that promote full access to community life for individuals with significant disabilities. The services shall include, as appropriate, facilitating transitions from nursing homes and other institutions, including

1	ing institutions to remain in the community, and
2	promoting home ownership among individuals with
3	significant disabilities.".
4	SEC. 488. CENTERS FOR INDEPENDENT LIVING AUTHORIZA-
5	TION OF APPROPRIATIONS.
6	Section 727 of the Rehabilitation Act of 1973 (29
7	U.S.C. 796f-6) is amended by striking "fiscal years 1999
8	through 2003" and inserting "fiscal years 2004 through
9	2009".
10	SEC. 489. INDEPENDENT LIVING SERVICES FOR OLDER IN-
11	DIVIDUALS WHO ARE BLIND.
12	Chapter 2 of title VII of the Rehabilitation Act of 1973
13	(29 U.S.C. 796j et seq.) is amended—
14	(1) by redesignating sections 752 and 753 as sec-
15	tions 753 and 754, respectively; and
16	(2) by inserting after section 751 the following:
17	"SEC. 752. TRAINING AND TECHNICAL ASSISTANCE.
18	"(a) Grants; Contracts; Other Arrangements.—
19	For any fiscal year for which the funds appropriated to
20	carry out this chapter exceed the funds appropriated to
21	carry out this chapter for fiscal year 2003, the Commis-
22	sioner shall first reserve from such excess, to provide train-
23	ing and technical assistance to designated State agencies
24	for such fiscal year, not less than 1.8 percent, and not more

- 1 than 2 percent, of the funds appropriated to carry out this
- 2 chapter for the fiscal year involved.
- 3 "(b) Allocation.—From the funds reserved under
- 4 subsection (a), the Commissioner shall make grants to, and
- 5 enter into contracts and other arrangements with, entities
- 6 that demonstrate expertise in the provision of services to
- 7 older individuals who are blind to provide training and
- 8 technical assistance with respect to planning, developing,
- 9 conducting, administering, and evaluating independent liv-
- 10 ing programs for older individuals who are blind.
- 11 "(c) Funding Priorities.—The Commissioner shall
- 12 conduct a survey of designated State agencies that receive
- 13 grants under section 753 regarding training and technical
- 14 assistance needs in order to determine funding priorities
- 15 for grants, contracts, and other arrangements under this
- 16 section.
- 17 "(d) Review.—To be eligible to receive a grant or
- 18 enter into a contract or other arrangement under this sec-
- 19 tion, an eligible entity shall submit an application to the
- 20 Commissioner at such time, in such manner, containing a
- 21 proposal to provide such training and technical assistance,
- 22 and containing such additional information as the Com-
- 23 missioner may require.
- 24 "(e) Prohibition on Combined Funds.—No funds
- 25 reserved by the Commissioner under this section may be

1	combined with funds appropriated under any other Act or
2	part of this Act if the purpose of combining funds is to
3	make a single discretionary grant or a single discretionary
4	payment, unless such funds appropriated under this chap-
5	ter are separately identified in such grant or payment and
6	are used for the purposes of this chapter.".
7	SEC. 490. PROGRAM OF GRANTS.
8	Section 753 of the Rehabilitation Act of 1973, as redes-
9	ignated by section 489, is amended—
10	(1) in subsection (g), by inserting ", or contracts
11	with," after "grants to";
12	(2) by striking subsection (h);
13	(3) by redesignating subsections (i) and (j) as
14	subsections (h) and (i), respectively;
15	(4) in subsection (b), by striking "section 753"
16	and inserting "section 754";
17	(5) in subsection (c)—
18	(A) in paragraph (1), by striking "section
19	753" and inserting "section 754"; and
20	(B) in paragraph (2)—
21	(i) by striking "subsection (i)" and in-
22	serting "subsection (h)"; and
23	(ii) by striking "subsection (j)" and
24	inserting "subsection (i)":

1	(6) in subsection (h), as redesignated by para-
2	graph (3)—
3	(A) in paragraph (1), by striking "sub-
4	section $(j)(4)$ " and inserting "subsection $(i)(4)$ ";
5	and
6	(B) in paragraph (2)—
7	(i) in subparagraph (A)(vi), by adding
8	"and" after the semicolon;
9	(ii) in subparagraph (B)(ii)(III), by
10	striking "; and" and inserting a period;
11	and
12	(iii) by striking subparagraph (C);
13	and
14	(7) in subsection (i), as redesignated by para-
15	graph (3)—
16	(A) by striking paragraph (2) and inserting
17	$the\ following:$
18	"(2) Minimum allotment.—
19	"(A) States.—In the case of the several
20	States, the District of Columbia, and the Com-
21	monwealth of Puerto Rico, the amount referred
22	to in paragraph (1)(A) for a fiscal year is the
23	greater of—
24	"(i) \$350,000;

1	"(ii) an amount equal to the amount
2	the State, the District of Columbia, or the
3	Commonwealth of Puerto Rico received to
4	carry out this chapter for fiscal year 2003;
5	or
6	"(iii) an amount equal to ½ of 1 per-
7	cent of the amount appropriated under sec-
8	tion 754, and not reserved under section
9	752, for the fiscal year and available for al-
10	lotments under subsection (a).
11	"(B) Certain territories.—In the case
12	of Guam, American Samoa, the United States
13	Virgin Islands, and the Commonwealth of the
14	Northern Mariana Islands, the amount referred
15	to in paragraph (1)(A) for a fiscal year is
16	\$60,000.";
17	(B) in paragraph (3)(A), by striking "sec-
18	tion 753" and inserting "section 754, and not
19	reserved under section 752,"; and
20	(C) in paragraph $(4)(B)(i)$ , by striking
21	"subsection (i)" and inserting "subsection (h)".

1	SEC. 491. INDEPENDENT LIVING SERVICES FOR OLDER IN-
2	DIVIDUALS WHO ARE BLIND AUTHORIZATION
3	OF APPROPRIATIONS.
4	Section 754 of the Rehabilitation Act of 1973, as redes-
5	ignated by section 489, is amended by striking "fiscal years
6	1999 through 2003" and inserting "fiscal years 2004
7	through 2009".
8	Subtitle H—Miscellaneous
9	SEC. 495. HELEN KELLER NATIONAL CENTER ACT.
10	(a) General Authorization of Appropriations.—
11	The first sentence of section 205(a) of the Helen Keller Na-
12	tional Center Act (29 U.S.C. 1904(a)) is amended by strik-
13	ing "1999 through 2003" and inserting "2004 through
14	2009".
15	(b) Helen Keller National Center Federal En-
16	DOWMENT FUND.—The first sentence of section 208(h) of
17	the Helen Keller National Center Act (29 U.S.C. 1907(h))
18	is amended by striking "1999 through 2003" and inserting
19	"2004 through 2009".
20	TITLE V—TRANSITION AND
21	EFFECTIVE DATE
22	SEC. 501. TRANSITION PROVISIONS.
23	The Secretary of Labor shall, at the discretion of the
24	Secretary, take such actions as the Secretary determines to
25	be appropriate to provide for the orderly implementation
26	of titles I and III of this Act. The Secretary of Education

- 1 shall, at the discretion of the Secretary, take such actions
- 2 as the Secretary determines to be appropriate to provide
- 3 for the orderly implementation of titles II and IV of this
- 4 *Act*.
- 5 SEC. 502. EFFECTIVE DATE.
- 6 Except as otherwise provided in this Act, this Act and
- 7 the amendments made by this Act shall take effect on the
- $8 \ \ date \ of \ enactment \ of \ this \ Act.$

Calendar No. 366

108TH CONGRESS S. 1627

[Report No. 108-187]

## A BILL

To reauthorize the Workforce Investment Act of 1998, and for other purposes.

> NOVEMBER 5, 2003 Reported with an amendment